

Nation's



JUNE 1951

BUSINESS

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ALTERATIONS





ASSEMBLY LINE FOR DEFENSE !

Off the assembly lines and onto the tracks, new and rebuilt freight cars have been rolling into Pennsylvania Railroad service at a record rate . . . all part of the Pennsylvania's \$554,000,000 equipment program to be completed this year.

Before the end of 1951 the Pennsylvania will have more than 200,000 freight cars in service, ready for any demand of industry or defense.

These will include more than 6,000 new cars built in the Pennsylvania's shops, 34,000 rebuilt cars and 20,000 new cars for which purchase orders were placed with car builders last year.

The estimated annual hauling capacity of these new and rebuilt cars is over 62,000,000 tons. That's 15 times the total tonnage of all of the 925 ships that made up the U. S. Navy in 1949.

Besides its program for these cars, the Pennsylvania ordered more than 1,000 new Diesel-electric locomotives, nearly all of which are now at work.

Thus the Pennsylvania's "Assembly Line for Defense!" from which a new or rebuilt car has been rolling into service every 2½ minutes of the working day, is doing its share to make certain we shall be ready for any transportation demand.

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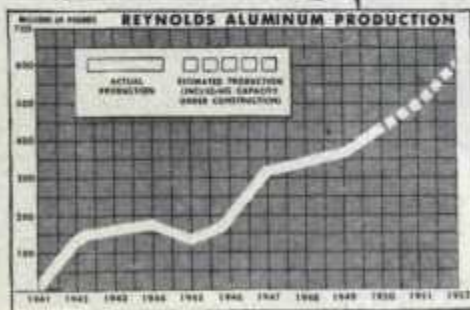
*
**May 18, 1941—
 the first pig of
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The first pouring of Reynolds Aluminum, ten years ago, gave America added tonnage vital before Pearl Harbor. It also brought competition into the aluminum industry. On that day, the Reynolds trade-mark took on new meaning. Reynolds leadership in foil rolling, which went back 20 years before 1941, now became a new crusading spirit destined to make aluminum more abundant and more useful.

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You'll find good reason to be proud you bought a GM car, both today and in time to come.

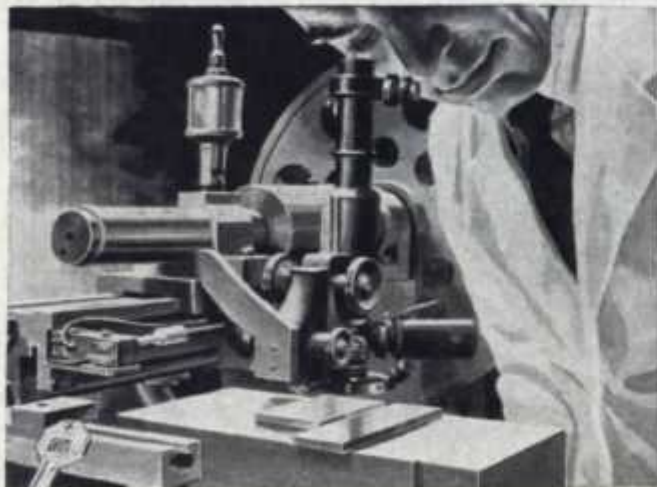
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CAR

YOUR KEY TO
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GENERAL MOTORS

"MORE AND BETTER THINGS FOR MORE PEOPLE"

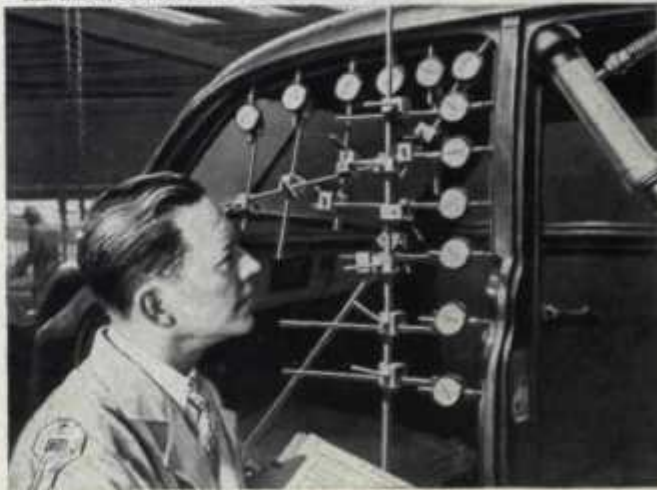
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Nation's Business



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JUST as the Europeans have done for centuries, Americans in increasing numbers are seeking ways to hedge against inflation and the unsettled times in which we live. Some individuals think stamps or coins are the answer, others are putting their money in *objets d'art*, while still others are betting on early Americana. Just how far this trend has gone is the story **RICHARD B. GEHMAN** tells in "When Dollars Run to Cover."

Gehman, now a New Yorker, comes from Lancaster, Pa., where he worked uneasily on newspapers for a couple of years before he was drafted in 1942. After two years as an instructor in a Special Service Training Center, he was sent to Oak Ridge, Tenn., where he worked on the *Oak Ridge Journal*, the official Army publication for the civilians who worked on the project.

After the war Gehman went to New York and began writing for magazines; "I'd sold fiction from 1942 on, and thought I could make a living doing that. I was wrong," he says, "which you may mark as my greatest understatement of the past 30 years. I then turned to journalism, and have worked for most of the mass books and a few of the smaller ones."

GEORGE SCULLIN is a survivor of a rugged school of journalism that came into flower and blighted quickly in the late '20's. The graduate of this school would approach a city editor and ask for a job. The city editor would ask, "What do you know about newspapering?" and the graduate would reply stoutly, "I studied it in college." Those who survived are the ones who reached the door ahead of the lead paperweight. In time, Scullin got a newspaper job.

Since newspapers come out not only daily but several times a day where competition is stiff, Scullin gravitated to magazines that come out once a month. World War II

interrupted a job on *Fortune*, and he became a navigator in the Air Transport Command. Late in 1944 we began flying the wounded back to the United States from England and France. "I wasn't a medical man myself," says Scullin, "but you didn't have to be to notice the difference between the boys we picked up in France and the boys we unloaded at Mitchell Field."

"That was why I leaped at the opportunity to do a story on the Walter Reed Army Hospital. I wanted to see how the new system of battlefield to hospital by air was working. As the story tells, it works real fine. Wonderful."

FRANK X. TOLBERT is another newcomer to *NATION'S BUSINESS*. As a neighbor—for all practical purposes—of the National Chamber's new president in Dallas, we tagged him as the logical candidate to tell our readers just who Dechard Hulcy is and why he has been so successful. You'll find the answers on page 37.

Tolbert has been a columnist on the *Dallas Morning News* since the end of the war, in which he was a combat correspondent for *Leatherneck*, the official enlisted man's magazine of the Marine Corps.

UNLIKE most kids of his day, **ROBERT PATTERSON**, who illustrated this month's short story, never wanted to be a fireman, cop,

streetcar conductor, mailman, cowboy or Indian. From the start he wanted to be an artist. "The first masterpiece from my infantile pencil," recalls Pat-

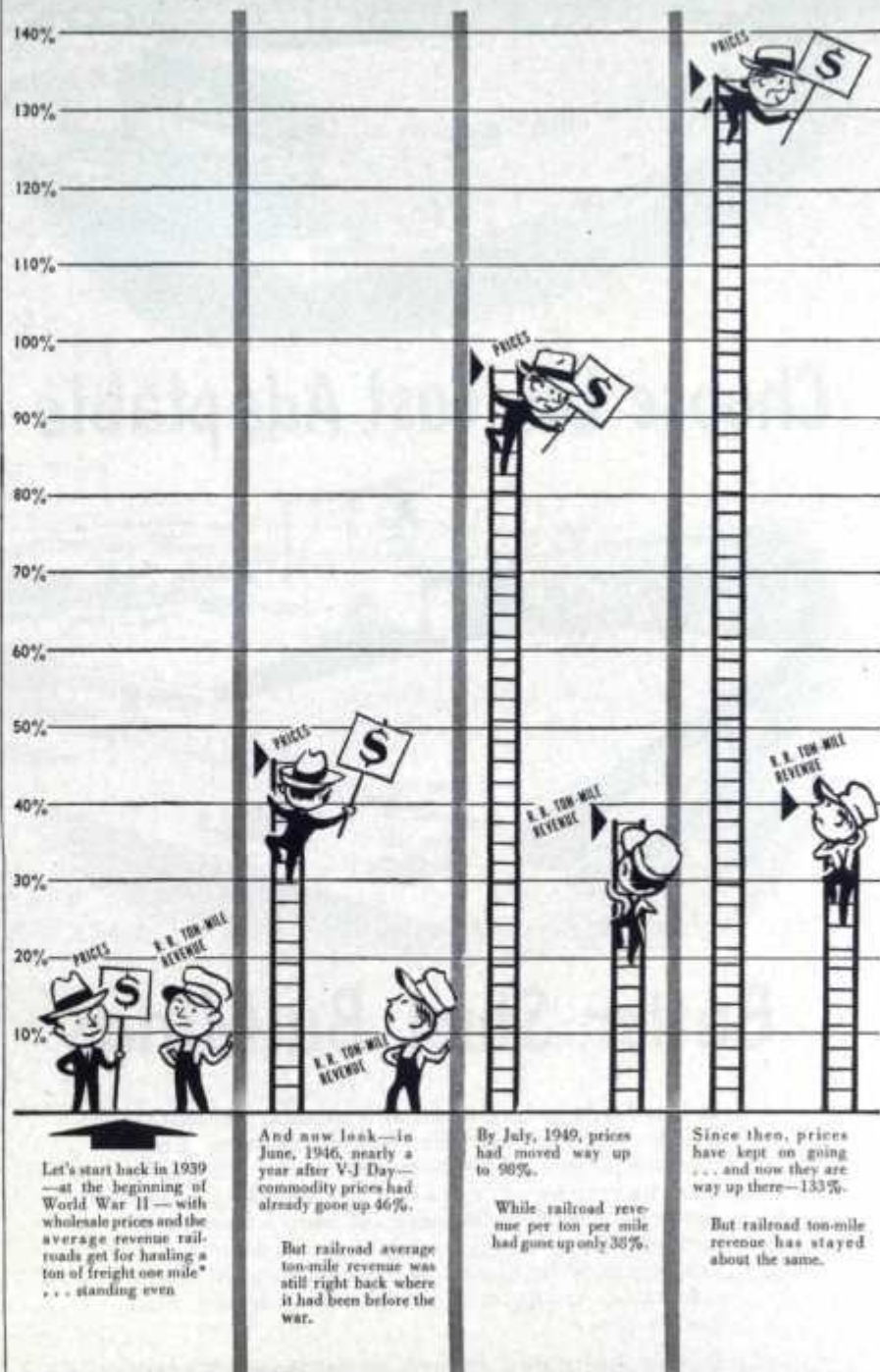


terson, "was a copy of the Katzenjammer Kids in all their turbulent glory. Later on I remember making a copy of a cover by Harrison Fisher which my father immediately sent off to some editor. He was indignant at my not being hired at some fancy figure as cover artist for the magazine in question. Anyway, I started my art studies at the Toledo Museum of Art and when I finished high school decided to go to the Chicago Art Institute rather than attend college."

Patterson studied in Chicago for three years before family finances made it necessary for him to go to work. His career became quite varied from then on. Once, as theatrical page caricaturist for *Judge*, he was sent to France to do a cartoon strip. He found himself in Paris with \$16, a wife and no

Railroad Freight Charges . . .

. . . the **Smallest Part** of rising prices



So it is— that railroad freight charges—which even before the war were but a small fraction of the cost of most articles you buy—are a still smaller fraction of today's prices.

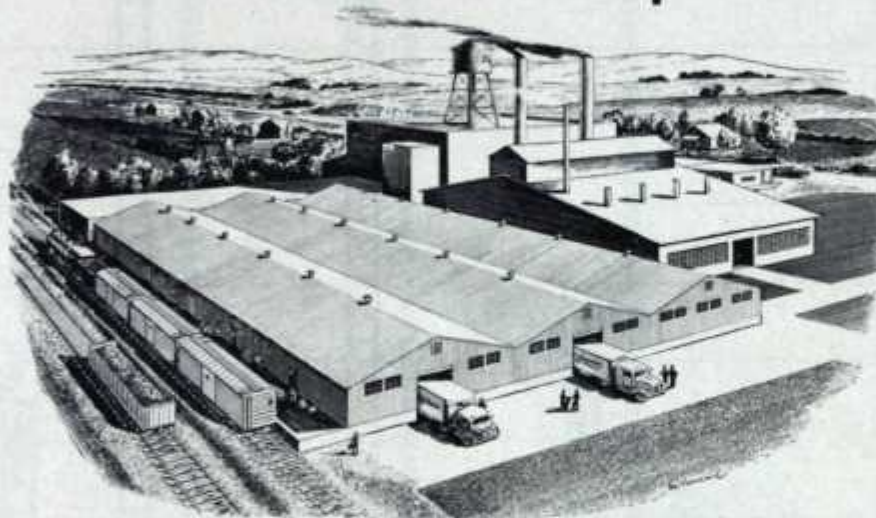
*Prices are as reported in the Index Numbers of Wholesale Prices issued by the U. S. Department of Labor, Bureau of Labor Statistics.
Ton-mile revenue, while not an exact measure of freight rates, measures what railroads get, on the average, for hauling a ton of freight one mile.

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prospects but plenty of optimism when the magazine was discontinued because of financial troubles. Paris being the world's fashion center, he made up some sample drawings of women's fashions and got an assignment from *Vogue*. For the next seven years he was kept busy.

Since then Patterson has been illustrating stories for magazines.

"THE MAN Behind the Bell" should be **BOB CONSIDINE'S** second article published by us instead of his first. Last year, he did a fine profile on a man who, at the time, held a controversial post in diplomatic circles. We were set to run it, when the position was abolished.



Now we have Considine back again—once more with a profile—only this time his subject hasn't changed jobs.

One of the best known newspapermen in the country, Considine broke into journalism with the *Washington Post* after a brief career with the State Department as a clerk. He covered tennis and major league baseball and later was named sports editor of another Washington paper, the old *Herald*.

His daily column, "On the Line," then exclusively sports, attracted nation-wide attention and brought him to the *New York Mirror* in 1936. A year later he joined International News Service.

As a correspondent in World War II Considine traveled to the North African battlefields, the invasion bases in England, the China-Burma theater. Between trips he found time to write "MacArthur the Magnificent," and to edit "Thirty Seconds over Tokyo" and "General Wainwright's Story."

His column was revived by INS in 1947, but on a broader base. It now deals with virtually every phase of human activity.

SINCE the scene on this month's cover is such a familiar one, these days, any footnote we could add about it would serve little purpose. Instead we'll tell you that **BEN PRINS**, the artist who painted it, is a highly successful illustrator. He lives in Connecticut and specializes in magazine and advertising assignments.



MANAGEMENT'S WASHINGTON LETTER

✓ IF YOU CAN'T lick 'em, join 'em. You can't lick defense contractors—for long—in the race for materials. Nor in the race against limitations. So if you have a choice—or can create one—get into the defense program.

✓ CUMULATIVE EFFECT of military orders will build up in coming months. Pressure of defense program on over-all economy lags behind orders, shows up only when work on them starts, deliveries flow.

For example: Huge expansion planned for one type of aircraft engine has produced big orders, but won't produce an engine until late fall.

Meanwhile effect of this project on materials, manpower will be slight, will be felt only in materials for new structures, in building trades labor, until near end of year.

Other phases covered by orders flowing from Washington have similar delayed effect, some earlier, some later.

Altogether, their impact on economy builds up in irregular pattern. But it builds up.

Actual expenditures for military exceed year ago figures by larger amount each month.

Which means more and more squeeze on materials for civilian production.

✓ YOU DON'T HAVE to build guns or tanks to get under the defense program tent.

If you are in furniture, clothing, automobiles, almost any other business your volume will be increased or cut by rearmament.

Trick is to try to anticipate how, when it will affect your line, your locality, to try to move with it. Watch out for distortions in shift to defense program.

For example: A billion dollars spent for construction of dwellings usually is scattered across the nation in orders for materials, labor, furnishings, appliances.

But a billion spent for construction of one or two atomic energy plants will center its primary effect in one or two places.

Have you direct defense producers in your trading area?

Are other industries going to get materials as suppliers to direct defense producers?

Your local chamber of commerce, trade association, procurement or Commerce Department office can help interpret your locality's outlook.

As program gets rolling defense contractors will have fewer problems, others will have more.

✓ YOU CAN COUNT on continuously rising wage rates—and resulting higher production costs.

Hundreds of cases in which employers, employees have agreed to above-ceiling wages awaited functioning of reconstituted Wage Stabilization Board.

And more are pouring in at average of 250 a week. Involved are millions of employees.

Under present procedure wage hikes to rates 10 per cent above January, 1950, could be made without board's prior approval. So cases before board involve repeat or greater raises.

Note: Don't expect Congress to adopt strong policy on holding down wages. Pending now are seven bills in the House, several more in the Senate, to increase congressmen's pay.

✓ SCARE BUYING, widely criticized, has its good points—at least in results.

It brought demand, civilian production to new peaks in last half of '50, held production to high levels in early '51.

Drop in consumers' forward buying left warehouses bulging—with civilian goods that soften impact of military program on non-military lines.

✓ EXCESS PROFITS TAX creates "cheap" dollars, brings rise in business expense.

That's because some profits—unless spent—are taxed at rates ranging to 77 per cent. So more of them are spent.

Smart management will make sure such expenditures bring lasting benefits.

Beardsley Ruml, former president of Federal Reserve Bank of New York, father of pay-as-you-go taxes, opponent of excess profits levies, contends responsible management must use these cheap

MANAGEMENT'S WASHINGTON LETTER

dollars to safeguard and extend the position of the company that earns them.

Rumr suggests research on new products, reorganization of production, increased advertising, adequate executive staffing, opening of new branch offices, improving public, community relations.

Company that earns and spends wisely its cheap dollars will come out of excess tax period in stronger position than its competitors.

Put such contemplated expenditures against two measuring sticks—

1. Would they build a stronger business?

2. Would Internal Revenue Bureau approve them as expense?

Note: Government implicitly encourages "good business" expenditures by approving them as expenses.

✓ WASHINGTON'S HEAT—in debate and temperature—may delay tax bill until fall.

There's inclination on part of many congressmen to recess, go home for July, August, come back to tax bill in September.

That inclination will grow if Korea is quiet.

If there's a summer recess there's good chance that control sections of Defense Production Act would be extended as they are until fall session.

✓ PROMOTIONAL SALES—biggest, broadest in years—will come in July.

You'll find them in department stores, specialty shops, other consumer goods outlets.

They'll go into nearly every department, hard goods and soft.

Don't mistake these sales as signs of distress. Overloaded inventories will make them possible, but will not (in many cases) cause them.

Instead they will be result of every merchandisers' No. 1 target: To beat last year's sales figures.

And last year Korea sent July sales skyrocketing.

Beating last year's figures is part of the merchandising game, even when they are as distorted by events as were those for '50.

And it's also a way of keeping sales

expense ratio in line with rising costs.

So most of the sales you see will be promotional, rather than forced.

✓ DEPARTMENT STORE inventories—despite drop in their orders to suppliers—won't reach their peak until sometime this month or next.

That's because of firm orders outstanding when sales slowdown brought cutback.

Now there's pressure between stores and their suppliers as to which should hold the inventories.

Most stores' estimate of outlook is shown in the inventory policy: Keep it down, work it off.

Which means they don't expect rising prices, nor shortages, soon.

"There isn't anything we can't get at a moment's notice," reports one large retail distributor. "If we thought prices were going up we'd be buying. We're not."

✓ TAKE A PEEK in the average architect's office—and you'll see a building slump in the making.

American Institute of Architects finds some of the biggest building planners' shops jammed to overtime with defense work.

But other, smaller firms across the country—and this means most architects—have little to do.

Their drawing boards reflect what's coming rather than what's happening now in construction industry.

Financing, bidding, materials gathering usually follow their work. Their inactivity now indicates sharp drop off in construction, building trades employment (except in defense centers) by late this year.

Why? Construction men say credit, materials controls already were putting brakes on building before controls were made stronger last month.

Red tape rapidly becomes another factor. Government was six weeks behind in processing applications—before controls were broadened. Now these weeks probably will grow into months.

Members of Construction Advisory Committee to NPA say limitations are unnecessarily strict, charge they were called in for advice only after program was worked out, ready for announcement.

✓ SERIOUS SHORTAGE of tires will come with summer's heat.

At least partial collapse of automobile, truck transport is predicted by executive of a top tire manufacturer.

More than 1,000 truck trailers—badly

MANAGEMENT'S WASHINGTON LETTER

needed by transport industry—are parked at builders' plants, awaiting tires.

Inventory of passenger car tires, normally 10,000,000 at this season, is below 3,000,000.

Even abundance of materials would not avert acute shortage now—it's too late to meet requirements with existing production capacity.


What's making shortage? Not stockpiling alone. Mainly, it's unexpected demand.

Even under allocation, consumption of rubber (including synthetic) is running this quarter at rate of 1,330,000 tons a year.

That compares with consumption last year of 1,246,000 tons—highest in history.

Farm and industrial applications of rubber, its use as sealer and insulator in appliances, all have risen sharply—along with demand expanded by greatly increased number of vehicles on the road.

Often overlooked factor: Vehicles are being driven nearly twice as much as they were five years ago.

 **GREAT BRITAIN, TOO,** helps backward nations.

Its Point 4 program included sale of 120,000 tons of rubber to Communist China, 40,400 tons to Red Russia, in nine months following outbreak of war in Korea.

Not until April did British put rubber under export control. But that won't cut off Britain's flow of rubber to Communist nations, although it may reduce it.

In defending rubber to Reds, British Overseas Trade Secretary pointed out that U. S. had opportunity to object during Rome conference this year, but didn't.


Department of State representative sat in on that conference. Here's State Department position—

There was no use objecting, since Britain soon was to place rubber under export control.

State agrees that control won't cut off supply, but contends cut-off would be impractical, since it would result in increased smuggling.

And in addition, it points out, Britain needs supplies from Russia, such as lumber.

In other words, the way to prevent smuggling to the enemy is to ship them the goods.

 **THERE'S A BOOM** in old steam locomotives.

Created by oil companies whose prod-

ucts feed the diesels that replaced the steamers. Enterprising oilmen buy up retired steam engines, rip out boiler tubes, weld them into pipelines.

That's one—rather expensive—way to get around pipe shortage.


 **FILL YOUR HEATING** oil tanks this summer.

Tremendous demand for gasoline, lubricating oil from the 50,000,000-plus autos and trucks on U. S. highways brings record-high volume to oil producers, refiners.

But demand for heating oil rises faster than demand for gasoline.

Early fall or cold winter, or both, plus transport problems could add up to oil shortage.

You can help avert it by adding your tankage to storage capacity at distributing end.

 **U. S. IS GOING** back to the farm—but not to work the land.


Instead of planting corn people plant suburbs, industrial systems, airports on land that not long ago grew crops.

In less than 10 years 10,000,000 acres of farmlands have been taken out of cultivation by industrial, municipal growth.

That's about 3 per cent of the nation's cultivated acreage.

And that's one important reason why farmland prices are soaring—they jumped 14 per cent in last year.

Other reasons: Inflation hedging, high farm produce prices, faith that government will keep them high.

 **BRIEFS:** Big talk—A Washington telephone secretarial service finds its accounts have increased by a third since Korea. . . . Alfred Jonniaux, who formerly specialized on Belgian royalty, is painting portrait of Secretary of the Interior Oscar Chapman. . . . Scarcity note: 2,000 new automobiles are parked in a field along a highway outside New York City awaiting export because of the shortage of storage space. . . . Highest paid group of 18-year-olds in U. S. history is coming out of school this month—highest paid in terms of what armed forces will pay them, and spend to house, equip, train them.

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By My Way

R. L. DUFFUS



Seasonal note

SO NOW some of the persons who were having colds all last winter can stop having colds and begin having hay fever. There is, it seems, no perfect season.

We take wing

IT TURNED out to be France to which my wife and I were going on our spring vacation. I forget when we made the actual decision—if, indeed, we did. First, we renewed our passports—just in case. Then we made airplane reservations—these can be canceled if one changes his mind in time. Then we reserved a room in a Paris hotel—same there. Then we contracted to rent a French motorcar. When we had done all this my wife, who has a geographical sense and a mind much clearer and more accurate than my own, laid out a tentative route. We could still decide not to go, but somehow we didn't. Consequently, as I see it now, when these lines appear in print we will have crossed the Atlantic in a night at the (as it seems to me) improbable altitude of four miles and will be trying out our French on the people who invented that lovely language.

With good resolutions

IT IS OUR intention not to do all the things that tourists ordinarily do. (I suppose thousands of tourists go abroad with that resolution.) We mean to find exquisite restaurants that no one else knows about, where the food is perfect and the prices low. We mean to sample, in a moderate way, the mild wines of the provinces. We mean to look at Roman ruins and perhaps, also, at one or two factories. We propose to take it easy, not trying to see everything in one mad whirl. We shall remain loyal Americans but we do not plan to tell the French how much better we do things here than they do them there. We shall look for pleasant, folksy days and ways and forget,

if we can, for a while, the big boom-boom of the world's events. How successful we are in these aspirations I shall report as truthfully as I can, later on.

Paris has a birthday

PARIS is celebrating its two thousandth birthday this year. I mean to have a look at parts of the celebration and I certainly wish the city well. I don't believe anybody knows precisely when the first human pioneer appeared on the site which Paris now occupies, took a good look around, noticed that there would always be plenty of water as well as (or so he thought) plenty of wild game, and decided to build himself a log cabin and settle down.

All we know is that Paris was different then from what it is today. The date may have been 10,000 years ago—even 20,000. I shall make a note on my cuff to ask an archeologist. By the same token New York City may be a great deal older than the year 1613, when Adrian Block built his first Adrian Blockhouses at 41 Broadway. The Indians had been there a long time, finding the beach at the Battery a good place for fishing. Maybe there were people on Manhattan as early as there were on Paris' City Island. But the two cities, each wonderful and magnificent in its own way, developed in different ways. I am glad to be somewhat familiar with both.



Is rain making legal?

RAIN MAKING has now reached the point where some consider it a matter for congressional action. If a man interferes with a cloud that is moving across a state line



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it is clear that he comes under federal jurisdiction, just as he would if he were hauling a load of onions or monkey wrenches in interstate commerce. The case is not so simple if he merely operates on clouds wholly within a state, but in this situation he might get tangled with the Fifth Amendment, which says that no one can be "deprived of life, liberty or property, without due process of law."

If, as I interpret this passage, a person is waiting for nature to bring a cloud over his property and is depending on it to drop some rain on his farm, nobody has a right to make that cloud drop rain on some other person's farm. On the other hand, he himself has no right to meddle with a cloud that somebody else needs and that would normally proceed to a spot or spots above that other person's real estate. I foresee a lot of interesting litigation on these points, but until the Supreme Court has ruled on a test case I think most of the rain we get will be distributed by Nature in her old familiar way—and no questions asked.

Just married

I HAVE been looking at photographs of brides and grooms in the newspapers, as is proper in the springtime and at other times, and I am touched, as always, by the look on their faces. They all seem to be thinking that by getting married they have solved the problem of living happily ever after.

Of course this is not true. They will have their troubles and worries and when the children come a lot of hard work and expense will be mingled with the happiness. Every generation is fooled to some extent when it falls in love. But it is a fine thing that it can be; this is what keeps humanity going, this is what makes the world better, and except when man-made difficulties like cold wars and hot wars interfere I believe the sum of happiness increases with each June—and each other month.

The mink situation

THE CENSUS BUREAU has put out the information that, at the present rate of production, there can be only one mink coat a year for every 2,094.2 American women. In one sense this is too bad and in another sense it is not. If every woman had a mink coat no woman would enjoy having one quite as much as some women do today. As for the minxes—as contrasted with the minxes—the fewer mink coats the better. No mink likes to be part

of a coat. What he likes is to be walking around inside his own mink coat and biting something (preferably, as a mink farmer once told me, the hand that feeds him) with his 34 teeth—or two more than human beings have.

The coyote moves east

THE COYOTE, sometimes misleadingly called the prairie wolf, has become a problem in the Adirondacks. He seems to have been attacking deer, which is contrary to the game regulations. I suppose the coyote has begun to move east because the West is no longer wild enough for him. In my own fairly short lifetime I have heard packs of coyotes howling in the fields within a mile of Stanford University in California. They would come down from the hills at night and the town dogs from nearby Palo Alto would dash out and fight them.

The resulting noise was comparable with the tumult of a football game—say, the "Big Game" between Stanford and the University of California—and it may be that the dogs and the coyotes had caught a little of the collegiate spirit. But I am sure there are no coyotes near the Stanford campus now; if one is found in the Adirondacks wearing an old red sweater with a white block "S" on it I think I will know where he came from.



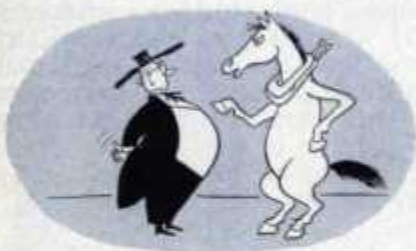
Recipe for shortcake

EVERYBODY who can afford it can now have a strawberry shortcake any day in the year. He can procure quick-frozen strawberries or he can buy fresh ones. But the progress of trade and invention hasn't made it possible to get field strawberries, ripened in the sun, in the latitude of—let us say—Vermont except around and about the month of June. You pick a field strawberry when it is a little soft—too soft to be handled in interstate commerce—and very sweet. If you are a boy you move slowly around the field or pasture, eating all you can, and when you have done that you accumulate enough berries to make a strawberry shortcake. At that point your mother takes over, using biscuit dough, sugar, butter

and plenty of cream. And years after, when you feel yourself getting old, you remember that shortcake and for a few moments you are a boy again.

Dog story, revised

I IMAGINE the man-bites-dog story will never die, in all its infinite variations. It cannot die, because it fills a deep need in human nature. I find among my clippings one about a St. Bernard dog who lives in Boyne City, Mich., and is the mascot of the Boyne Mountain Ski Club. This amiable animal got lost during an early spring snowstorm. Of course—need I go on?—members of the club rescued him and revived him with brandy. Then, of course, there is the fire in the firehouse, which happens from time to time, and the erring citizen whom the detectives look for all over the country and who has been living all the time in a furnished room next the police station. And occasionally—though I cannot give any recent illustration—a man does lose his temper and bite a dog.



The point of view

A BILL to restore the horse cavalry in the United States Army has been wandering around Congress this spring. It did not get anywhere. And personally I think that if I were a horse I would have lobbied against it. I should also have lobbied against a bill to bring back the horse-and-buggy combination. This shows that there are two sides to every question. What is romantic for some of us may be dangerous or just hard work for others of us.

Bring your own ant

I WAS TOLD the other day about a picnic spot that had been so thoroughly treated with DDT that people who came there had to bring their own ants. I think this is interesting, if true.

The best horse

I CAN READ about investigations of race track gambling and of the results of races actually run with a clear conscience and no regrets. I have never bet on a horse when it



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was legal to do so, as it is at many racetracks, nor have I done so when it was illegal and wrong, as it is as a rule when one is not at the race track. This is not, I fear, because I am uncommonly virtuous. It is merely that I like horses—all horses. When a race occurs I always take the position, may the best horse win. If anybody would take a bet on that maybe I would be tempted.

Hats, male and female

A LOT of fun has been made about women's hats and how much they cost. Indeed, American wit and humor would be somewhat handicapped if this item had to be omitted. But I imagine the difference in cost between keeping a man equipped with a hat and keeping a woman similarly equipped is not great.

When a woman goes into a restaurant, for example, she keeps her hat on, whereas a man gives his to a checkroom girl and later buys it back. This system might well be reversed, since a beautiful woman is beautiful even without a hat, whereas most men, especially as middle age comes on, look better with something pulled down close to their ears. But I am not going to pioneer in this reform; if the checkroom girl smiles only slightly she shall have my hat every time.

Heavy underwear

IN VERMONT in the old days there were conservatives and liberals, just as there are now. The liberals took off their heavy winter underwear on or before June 21, when summer began. The conservatives did not do this, their belief being, to paraphrase the poet, that if summer came winter couldn't be far behind. There was also a belief in some quarters that if heavy underwear kept out the cold in January it would likewise keep out the heat in July.

Things are different now, I should hasten to add. In winter you can sometimes see Vermont-born skiers with hardly anything at all on above the waist and a bathing beach on Lake Champlain is just like any other bathing beach so far as the display of human cuticle is concerned. I suppose the difference between conservatives and liberals still exists, however; I suppose a liberal sets out to get tanned all over in one day, whereas a conservative spreads it out over a week or so. There is much to be said for both methods, of course—I am not taking sides.



The State of the Nation



Felix Morley

THE UNITED STATES is a continental nation, fronting on both of the world's greatest oceans. But it has taken the American people as a whole a long time to realize the full implications of that simple geographical fact.

Like Janus, the two-faced Roman deity who looked simultaneously in opposite

directions, our country faces, and must look out at, both the Atlantic and the Pacific areas. Nevertheless our inclination has always been toward Europe rather than Asia. The historic significance of Gen. Douglas MacArthur could be that he has served to redress this balance.

Many reasons explain the tendency of Americans always to look back toward Europe. The ancestors of the great majority came thence. The roots of our cultural, social and political heritage trace to that continent. The capital and all of our oldest marts of trade are along the eastern seaboard. There is no duplicate of the Statue of Liberty, symbolizing a welcome to Asiatic immigrants, at San Francisco.

Nevertheless the Golden Gate is as significant a portal to the outside world as The Narrows at New York. And the development of transoceanic flying spreads a more extensive network to what we illogically call the Far East, and brings its far-flung centers proportionately nearer to our own

shores, than is the case with western Europe. Less than four days after leaving Tokyo, General MacArthur could stand before the Congress in Washington, and emphasize that "the whole epicenter of world affairs rotates back toward the area (Asia) whence it started."

The general's command of language is as precise as his command of men. The epicenter, one recalls, is the outbreak point for shocks that shake the earth.

The last war, as General MacArthur points out, ended forever the era of European colonialism in Asia. By the same token it fatefully terminated the domination of Europe in world affairs.

Six years after the collapse of Germany the eastern half of that continent, including such great centers as Leipzig, Dresden, Danzig, Königsberg, Warsaw, Cracow, Prague and Budapest, is consolidated into the Soviet orbit. What remains of free Europe is little more than the Atlantic and Mediterranean fringe, seemingly dependent for its very existence on constant transfusions from the United States.

Meantime, as European influences decline, our own national center of gravity has been moving west, and at accelerating pace. The 1950 census showed the Pacific coast gaining in population at four times the rate of any other section. Industrial development goes hand in hand with this increase. Since 1939 the steel production of the



An Opening for Trouble...

IF YOU are a stockholder or an executive in a close corporation, you will be interested in what happened in the case of Charles Willard.

For many years, Charles Willard was one of the principal stockholders in a small close corporation. When he died a couple of years ago, he left a legacy of trouble both to his family and to his former business associates.

By inheriting his shares of the stock, his widow, Ruth Willard, immediately became an interested and important stockholder of the corporation. As such, she wanted to take an active part in the affairs of the business. She was soon convinced, however, that her complete lack of experience would probably do the company—and herself—more harm than good.

On the other hand, she realized that it would not be wise to have so much invested in just this one company unless she were active in it. Because no matter how able she knew the management to be, there was always the chance that future changes and future fluctuations in the business might impair her income seriously.

After thinking it over, Ruth Willard decided to sell the stock and invest the money in more diversified securities. Her first thought, of course, was to sell all of her stock to the other stockholders. But although they wanted it, they were unable to agree on a price that was mutually satisfactory. And even if they *had* agreed, it is doubtful if they could have raised enough money to buy that much stock without considerable delay.

What finally happened was that Ruth sold the stock to someone outside the corporation—even though she still didn't get as much for it as she had hoped she would. The result was complete dissatisfaction all around. The other stockholders now have an outsider trying to exercise his authority in the affairs of the company—and Ruth still feels that she was treated unfairly.

Not one of these problems need have arisen when Charles Willard died. A New York Life agent could easily have helped the company prepare ahead of time for just such an emergency as this—with a Business Life Insurance Plan especially designed for Close Corporations.

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Under the plan, all of the stockholders would have entered into an agreement under which the survivors were bound to buy, and the estate of a deceased stockholder was bound to sell the stock according to a price formula contained in the agreement. To assure the necessary funds being on hand when needed, each of the stockholders, including Charles Willard, would have been insured for an amount equal to the value of his stock.

In this way, the surviving stockholders would have been able to keep full control and ownership of the business automatically and without fear of outside interference. Ruth Willard could have received a fair price for her husband's stock immediately—without haggling, without pressure, without worry. Everything would have worked out to everyone's complete satisfaction—with no delays, no trouble, no arguments.

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TRENDS



OF NATION'S BUSINESS

western states has more than doubled, and is now more than half that of the important Cleveland - Detroit area.

The growth of the West, as yet little appreciated on the eastern seaboard, is bound to have important political consequences, both national and international. The domestic effect is the more obvious. As a result of moving from fifth to second place in population, during the decade of the '40's, California will

have 30 instead of 23 representatives in the next Congress. Next year its support will be more valuable than that of Pennsylvania to any Presidential aspirant. The states of Washington and Oregon show less spectacular gains, but have moved respectively from thirtieth to twenty-third, and from thirty-fourth to thirty-second place, as a result of the 1950 census.

These figures are arithmetical indices of a shift that will also have profound international consequences. More self-assertion from that part of the nation bordering on, or aligned toward, the Pacific is now to be expected. The trend may be retarded, but cannot possibly be suppressed, by the reluctance of the East to modify its European orientation. Indeed any attempt to ignore the Pacific interests of this country will now set up a contrary reaction that could be almost as injurious to national unity as the old cleavage between North and South. The developing assurance and leadership of California's young senators—Knowland and Nixon—in the present Congress is symptomatic.

It so happens that potential rivalry between the heads of the American Janus has lately been sharpened by acute difference between two prominent men who are representative of the eastern and western outlooks. They are Dean Acheson, who consistently placed Europe ahead of Asia in his direction of American foreign policy, and General MacArthur, whose thesis is that "You cannot appease or otherwise surrender to Communism in Asia without simultaneously undermining our efforts to halt its advance in Europe."

That is demonstrably not the opinion of our North Atlantic allies, and it is not the opinion of President Truman, who dismissed General MacArthur because the latter was "unable to give his wholehearted support to the policies of the United States Government and of the United Nations." Those policies, however, were developed and to a considerable extent initiated by Secretary Ache-

son. And they were not sufficiently clear, popular, forthright or successful to make the indictment brought against MacArthur stick.

Whatever the personal magnetism, the brilliant mind and the oratorical skill of General MacArthur, he could never have achieved so notable a popular triumph without some other basis in public esteem. The charge that the former Far Eastern commander would risk outright war with Russia is well calculated to turn thoughtful men against him. But it has boomeranged.

Much of the acclaim accorded to the general has undoubtedly been an indirect criticism of President Truman, rather than praise for MacArthur personally. A people feeling deep frustration over the many unsavory disclosures, and the costly fumbling of the present Administration at home and abroad, have turned to the soldier as a symbol of the dignity they seek in vain in Mr. Truman's entourage. But over and above resentment at deceit, chicanery and ward politics, even beyond bitterness over the still undeclared Korean war, there is a deeper reason for the popular repudiation that the President has experienced. Of course the Republicans have capitalized the whole business for all it is worth. The point is, they had something to capitalize.

With the passage of time it becomes more clear that some of this resentment can be traced back to the primarily Atlantic orientation given to our foreign policy by Secretary Acheson, with President Truman's full approval. Against this exclusive focus all the pride of the vigorous West, all the "isolationism" of the prairie states, and also all the truly national thinking of the East have combined in protest. General MacArthur, perhaps contrary to his own expectations, has become the catalytic agent for elements which, by themselves, would have lacked cohesive strength.

Seen in this light the MacArthur episode becomes a political phenomenon of historic importance. It is in part a revolt against the whole sordid betrayal of Chinese nationalism that began at Yalta and has been continued since. It is also a protest against a concept of American policy that seems to limit our interests to western Europe, and to define the United States as primarily an outpost of that broken civilization. It is simultaneously a denunciation of inadequate and uninspired national leadership at a time that calls insistently for national regeneration.

At 71, it seems unlikely that Douglas MacArthur himself will direct the renaissance he has unconsciously touched off. But his fame is secure as one whose vision could encompass a nation bordering on two oceans, with all the attributes of greatness except that faith in its own destiny which he has helped to reanimate.

—FELIX MORLEY

Washington Scenes



Edward T. Folliard

GREAT changes have occurred in Washington in the year since war engulfed Korea, but none so striking as the change in attitude toward Russia.

Various words are used to describe this altered mood. Some call it complacency, which it certainly is not. Some go to the other extreme and call it jingoism, a term which, according to Webster, applies to those favoring "a bellicose policy in foreign affairs." There is, admittedly, some jingoism in Congress; but no one would say that it is the prevailing mood.

At the heart of the changed attitude is an abatement of fear—fear, that is, of Russia and of another world war. Whether or not this lessening of apprehension is justified can't be answered with certainty; nobody in our Government really knows. But there is no doubt that, in many minds, Russia has ceased to be the awesome power she once was.

This is easily illustrated.

The Senate, for example, recently voted down the so-called "dispersal program." Sponsored by the Truman Administration, this was a scheme to move key government agencies out into nearby Maryland and Virginia, the idea being to avert government paralysis if Soviet aircraft dropped atomic bombs on Washington. The program would have cost \$107,000,000. It was killed by a coalition of Republicans and Democrats, the latter headed by Sen. Harry F. Byrd of Virginia. Their argument was that the only result of the legislation would be more government buildings and a further padding of the government payroll.

Civil Defense Administrator Millard F. Caldwell is having the utmost difficulty in arousing Americans to take precautions against an all-out war. He has had to warn them to stop "playing ostrich in the face of atomic warfare."

The State Department says applications for passports are coming in at a normal rate. If there is no great international explosion, approximately 230,000 Americans are expected to go abroad in 1951. The number last year was nearly 300,000, but this was abnormally large because of the Holy Year observance which drew so many pilgrims to Rome.

Of course, the most astonishing change of attitude is noted in the case of Sen. Robert A. Taft of

Ohio. In the troops-to-Europe debate, he argued that sending American divisions to the Eisenhower army might well provoke Russia into a drive across the continent. However, in backing the MacArthur program for victory against China, Taft said the United States should not hold back "simply because of fear that Russia might possibly come into the war."

Taft's political foes attribute this to his hatred of the Truman Administration and his ambition to be the Republican presidential nominee in 1952. This is something for "Mr. Republican" himself to deal with, but it might be remarked that he is far from being alone in his views.

One thing is sure: General MacArthur did not create the sentiment for a more aggressive campaign against Red China; he simply gave it a powerful voice. A subscriber to the *Washington Star*, Edith Mirick, put it this way in a letter to the editor:

"We are a proud people, and a naturally courageous people. For more than a year we have been . . . fed on apprehension, timorous suppositions, cowardly fears. Red-blooded Americans can't digest a diet of studied caution and timidity for long. . . . We have stood by and watched our men in Korea pushed back and forth, while we cower in a corner, shackled by small men with big fears. General MacArthur has set us free. He has spoken for us. . . ."

And how does President Truman feel about all this? His associates in the White House say he is absolutely convinced of the rightness of his own Far East policy. They say, further, that he is confident the American people, once they cool off and have "the facts," will see it as he does.

A year ago Mr. Truman was looking ahead, not to war, but to peace. At a press conference, he was asked about a Gallup Poll which indicated that most Americans expected a hot war in five years. Mr. Truman assured reporters he didn't agree with this at all. He said he thought we were closer to permanent peace than at any time since



TRENDS



OF NATION'S BUSINESS

1945. That press conference took place on June 1, 1950.

Twenty-four days later, while he was spending a week-end at the Truman home in Independence, Mo., the North Korean Communists got their signal from Moscow and attacked across the Thirty-eighth Parallel.

Since then, the Chief Executive has been extremely wary of predictions about Russia. He is, or at least ought to be, the best-posted

man in the land. He is provided with all worth while information gathered by the Central Intelligence Agency. He is surrounded by men familiar with Russia—Averell Harriman, Gen. "Beedle" Smith, and others. Nevertheless, he is frank to say that he has no idea what is in the minds of Stalin and his lieutenants of the Politburo.

Apparently, we have no spies in the Kremlin.

The one thing that distinguishes Russia from our enemies in World War II—from Hitler and the hot-headed militarists of Japan—is a reputation for cautiousness. True, the Korean adventure seemed reckless, but apparently Stalin had been persuaded that Korea was there for the taking—that the United States would not fight for it.

Averell Harriman, our envoy to Moscow during a good part of World War II and now Special Assistant to the President, has described Stalin as "a realist."

"I do not believe he wants to start another world war unless he feels sure of victory," Harriman has said. "I had many talks with Stalin over a period of nearly five years. On several occasions, he referred to the mistakes he considered Hitler had made. Hitler was too impatient, Stalin said. . . . He said Hitler had miscalculated the United States, its will and capacity. . . . I could not help thinking while Stalin was talking about Hitler that he had in mind his own postwar policies. I doubt if he sees profit to the Soviet Union in a long and grueling war."

Our military men and intelligence men, with some exceptions, agree with Harriman. However, they suggest a possibility that it would be well to keep in mind—the Soviet bosses might not know right now just what they would do under certain circumstances. In other words, there might be a point at which they would throw aside their policy of caution.

There is also the possibility, as General Eisen-

hower has often reminded us, that a great war could "start stupidly." The one thing nobody can guarantee is whether the Russians will be wise rather than stupid.

Looking back over a year of hot war, one of the most remarkable developments has to do with the Fair Deal. It has receded into the background until it is out of sight. You just don't hear about it any more.

Like MacArthur's old soldier, however, it has not died but just faded away—temporarily. Or, to employ the figure used on Capitol Hill, it has been put in a deep freeze.

If the world situation improves, Mr. Truman will certainly bring out the Fair Deal again and try to sell it anew. He made this clear last January when he lashed out at those who, after reading his State of the Union message, concluded that he had ditched his program of liberal reforms.

"Let's get this straight," the President told reporters. "This Administration has no intention to abandon any of its principles or programs. We stand behind the Fair Deal and the Democratic Platform as much today as ever.

"We do, however, recognize that, in an emergency like the present, first things come first, and our defense program must have top priority."

How, it might be asked, can the Truman Administration ever hope to revive a welfare-state program when Secretary of Defense Marshall says the best we can hope for is ten more years of tension? How can we afford it in the face of huge expenditures for arms for ourselves and our allies?

The President answered this in a Labor Day speech in Pittsburgh in 1949, when he said:

"The selfish interests say we can't afford these programs during a boom because they would be inflationary. They say we can't afford them during a recession because they would be deflationary. They say we can't afford them during a war because we are too busy with defense, and we can't afford them in time of peace because that would discourage business.

"And so, according to the selfish interests, we never can afford them.

"But the truth is—we can't afford not to put these programs into effect. We can afford them, we ought to have them, and we will have them...."

The day Mr. Truman made that speech in Pittsburgh, hecklers were having fun with his Army aide, Gen. Harry H. Vaughan, yelling, "How about a deep freeze?"

The symbol now haunting the Administration is a \$9,000 pastel mink coat.

—EDWARD T. FOLLIARD

never mind...somebody loves you

Watch it! One slip and your name is mud.

Little woman crown you King of the kitchen for the night? Or dishwashing drudge?

Never you mind. We love you. And so do dozens and dozens of fine people...the Union Pacific, Studebaker, AT & T, Hardware Mutuals, National Cash Register...

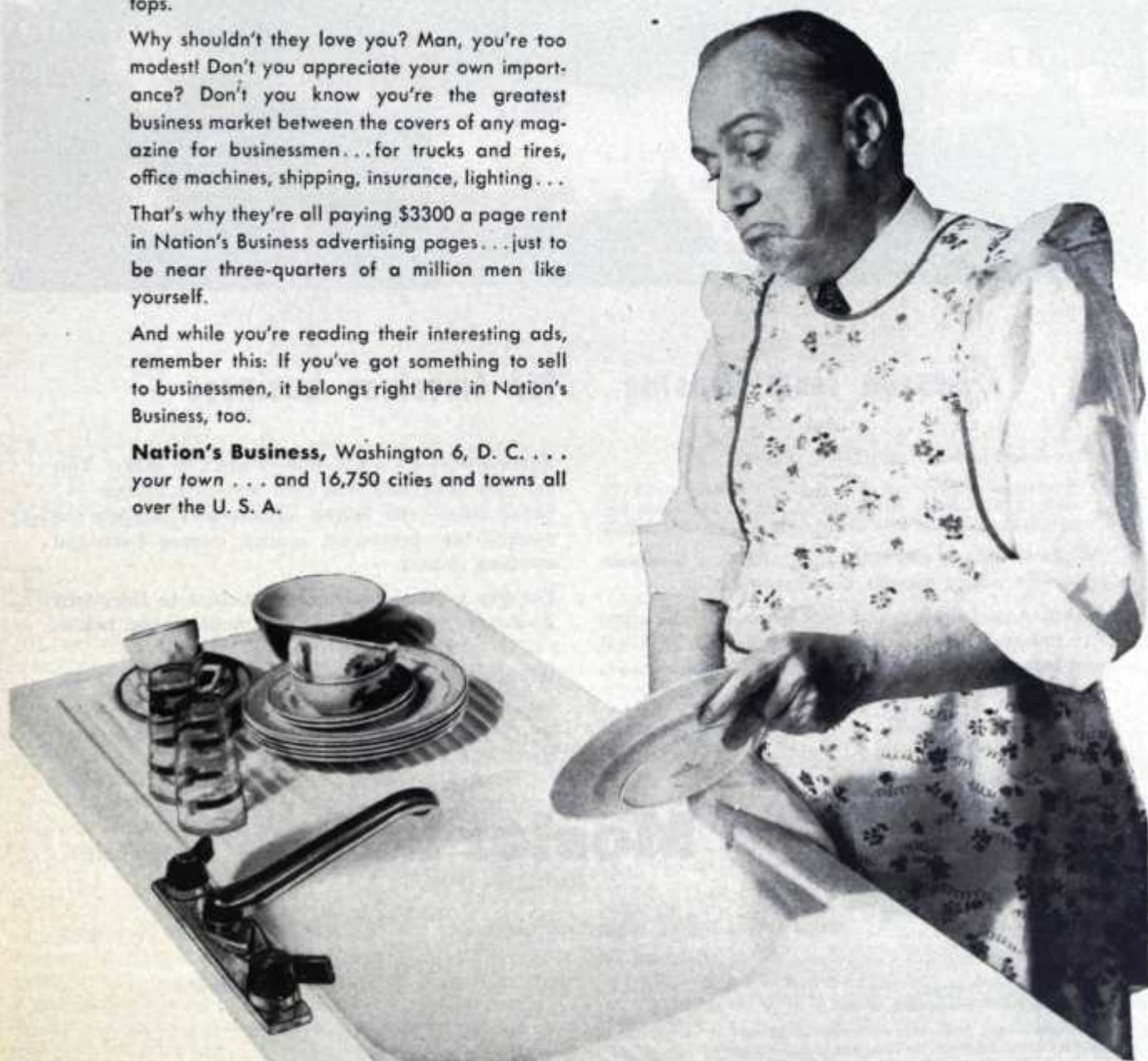
Why not? Maybe you're not so hot in the kitchen, but on your home grounds — business — you're tops.

Why shouldn't they love you? Man, you're too modest! Don't you appreciate your own importance? Don't you know you're the greatest business market between the covers of any magazine for businessmen...for trucks and tires, office machines, shipping, insurance, lighting...

That's why they're all paying \$3300 a page rent in Nation's Business advertising pages...just to be near three-quarters of a million men like yourself.

And while you're reading their interesting ads, remember this: If you've got something to sell to businessmen, it belongs right here in Nation's Business, too.

Nation's Business, Washington 6, D. C. . . . your town . . . and 16,750 cities and towns all over the U. S. A.





Lesson from Lansing...for American business

The dateline was February 9, 1951:

MICHIGAN CRIPPLED BY \$4,000,000 FIRE IN STATE OFFICE BUILDING AT LANSING. VITAL RECORDS DESTROYED, DEPARTMENTS TEMPORARILY PARALYZED.

While the blaze was still raging, many a businessman was asking himself a solemn question.

Could American business—his business—risk similar paralysis through the loss by fire of the vital original and basic records which any business needs to stay in business?

Could the nation risk it—at a time when America needs its full industrial strength?

Fortunately, it's a risk that needn't be taken. You can fully safeguard your vital records in Mosler "A" Label Safes—the record safes which provide the world's best protection against intense heat and crashing impact.

For free informative booklet on how to safeguard your records in peace and war, mail coupon below.

World's largest builders of safes and vaults . . . Mosler built the U.S. Gold Storage Vaults at Fort Knox and the famous bank vaults that withstood the Atomic Bomb at Hiroshima.



The **Mosler Safe** *Company* SINCE 1848

HAMILTON, OHIO

CONSULT CLASSIFIED TELEPHONE DIRECTORY FOR THE MOSLER DEALER IN YOUR CITY

The Mosler Safe Company
Department NB-6, Hamilton, Ohio

I'd like the latest, authentic information on how to protect vital business records against not only the hazard of ordinary fire but of enemy air attack or sabotage.

NAME _____ POSITION _____
FIRM NAME _____
ADDRESS _____
CITY _____ STATE _____

We Need Not Starve for RAW MATERIALS

By HARLAND MANCHESTER



IF OUR Far Eastern sources of supply were to be cut off, we could make out but our living standard would be lowered

THIS YEAR the American steel industry expects to boost production to a record-breaking total of 104,000,000 tons—as much as all the rest of the world put together. Production of civilian cars and trucks, barring a serious crisis, may run to more than 6,000,000 units and, as things look now, washing machines, refrigerators, television sets and hundreds of other “hard” items will be available in quantities consistent with a lush peacetime economy. Meanwhile our expanding war plants are stepping up production of ships, planes and munitions to a war basis, suggesting that for the first time in history a nation has reached the millennial goal of guns plus butter.

This amazing program may well inspire pride and optimism throughout the free world, but all is not beer and skittles. A small group of men in government and industry are working day and night to insure a supply of certain imported raw materials which the average consumer either never heard of or takes for granted.

For instance, you can't make steel without manganese—it takes 14 pounds to produce every ton of ingots. And we haven't got enough manganese at

home, or even in the western hemisphere—not yet. You can't very well make a motor vehicle without some tin, antimony, chrome, tungsten and natural rubber, and for all these things we are at present largely dependent on countries which lie within the shadow of Stalin's war machine.

Some scarce materials are needed only in pepper-and-salt quantities, but we have to have them. Lack of a little tungsten, for example, could be the fabled missing nail in the horse's shoe that lost the battle.

The essential items in Uncle Sam's “have-not” list are found in many corners of the globe, and in view of the many political, military and industrial variables in the picture, no one can say exactly how we will fill the stock bins. We can, however, set up a problem, firmly hoping that it will remain academic: we can cross off Asia as a source of raw materials and take a hard look at the consequences.

Manganese is a good starting point. It is essential for two purposes: as a scavenger to knock the sulphur and oxygen out of steel, and as an alloying agent to impart hardness and toughness. With our expanded economy, we need 1,500,000 tons of



manganese ore every year, and nothing will take the place of it.

Three years ago we were getting 34 per cent of that ore from Russia, then she cut back U. S. exports to a dribble. The gap is plugged now by increased imports from India, the Union of South Africa and the Gold Coast, with India supplying about one-third of our needs. No one expects an interruption of Indian shipments, but if we stick to our thesis it is obvious that the sudden loss of all Asian imports would be a hard blow to our production lines.

For the first time, manganese ore went on allocation last February. It is now under the control of the Defense Minerals Administration, and our experts are scouring the world for alternate sources. No one is hysterical about it, for there are some excellent possibilities in the offing.

In 1941, Mario Cruz, a gold prospector in the rain forest of the Amapa region in northern Brazil, picked up a strange rock to use for ballast in his canoe. The rock turned out to be rich in manganese, and he guided geologists to its origin, where 28 different outcroppings were found.

Scientists of the U. S. Geological Survey, working under the Point 4 program, think that Senor Cruz' accidental find may run to more than 8,000,000 tons of high-grade manganese. The Bethlehem Steel Company, in cooperation with a Brazilian firm, is examining problems of mining and transportation. Still greater manganese deposits, thought to exceed 30,000,000 tons, have been discovered in the wild Mato Grosso region of southern Brazil, and the U. S. Steel Corporation, working with Brazilian interests, is looking into that possible source.

Understandably, Brazil wishes to take care of her own needs first, but her steel production is only one per cent of that of the United States. To develop these deposits fully, railroads and other facilities would have to be built, so that it would take several years to get into full production.

Planners also recall the high toll of shipping losses during World War II. If we depended to any great extent on Brazil for this metal in case of war, we would have to ship at least 500,000 tons, and that would take 50 10,000-ton-cargo shiploads. The effectiveness of enemy submarines and of our anti-

submarine weapons would play an important role.

When the world's manganese ores were distributed, North America lost out. We have low-grade deposits in several western states, many of them running about one per cent compared with 45 to 50 per cent in Russia and Africa, where they steam-shovel the ore directly into railway cars for shipment. One mining expert remarks that "if we ever have to depend on domestic manganese, we might as well quit."

We have, however, a manganese bonanza in the slag dumps of our steel mills, which often contain as much as ten per cent of the metal. The Bureau of Mines is perfecting a process for the reclamation of manganese from slag, and soon will open a pilot plant at Pittsburgh. Bureau officials say that if the plan works as it should, this great reserve of discarded manganese may supply from one third to one half of our needs at prices competitive with normal sources.

The slag is fed into a Bessemer-type converter and the reclamation of the pig iron from which the manganese is separated might even pay for the cost of the operation. As soon as the Bureau's pilot plant proves out, the process will be turned over to the steel industry.

To sum up, if we lost our Asian manganese sources, we would have some headaches and it would cost money, but if we are forehanded we can meet any large-scale emergency.

The tungsten problem is somewhat stickier. Tungsten-carbide and high-speed tungsten steel cutting tools are so essential in tooling up for war that experts say that German supremacy in these tools in the 1930's played an important role in Hitler's fast rearming for World War II.

The man running a machine tool must have an ample supply of these superhard cutters at his elbow to prevent delays. The hard metal is also used in gun barrels, armor plate, armor-piercing projectiles, and in smaller quantities in the filaments of light bulbs and electronic tubes. It was used in about 15,000 types of World War II items.

Tungsten is obtained from scheelite deposits in many western states, notably California, but only a fraction of our needs can be filled at home even in



peacetime. During the war, cargo planes flying over the Hump brought the precious metal out of China, for its value is disproportionate to its weight. One good-sized shipload a year would fill our import needs, but China, the world's greatest tungsten area, is now beyond our reach. An important tungsten mine in South Korea was put out of action during the early fighting, and conditions are still too unstable to risk reconditioning it.

There are a number of things we can do about it. The hard metal molybdenum, with which the United States is well endowed, can pinch-hit for tungsten in high-speed tools, although it won't do for tungsten-carbide tools. "Moly" is a necessary alloy in many types of steel, but in a pinch it would be of most value in cutting tools. We can get tungsten from Spain, Portugal, Africa and Australia, and in this hemisphere from Mexico, Bolivia, Brazil, Argentina and Peru.

Stirred by the new demand, California prospectors are going out nights with their ultraviolet lamps, looking for rocks which give off a bluish-white fluorescence indicating the presence of tungsten. Because of its small volume, tungsten is easy to ship and stockpile, but the amount of our holdings is a secret. "Our best way out," says one government expert, "is to step up domestic and South American production with long-term purchase contracts."

Chromite, the ore from which chromium is extracted, is another scarce item. We have almost no native chromite, and Russia, the world's biggest producer, has clamped down on shipments to the United States. Whenever there is a war in the offing, chromite requirements increase, for it is used to make heat-resistant, high-strength alloys more essential in military than in civilian goods.

Such alloys are used in jet planes, gas turbines and atomic devices. Since the Russian squeeze, we have been dependent mainly on Turkey, Africa and the Philippines, and if we lost any of these sources we might be in a bad way. Chromium products are also used in pigments, tanning agents and metal plating, and there are few substitutes.

Contrary to popular impression, use of chromium for automobile brightwork is not a serious inroad

on our supply because the coating is so thin. The real pinch is in the nickel and copper used beneath the chromium. Zinc and aluminum may be substituted. Meanwhile, we are stepping up production throughout the free world, stockpiling what we can, and searching for substitutes.

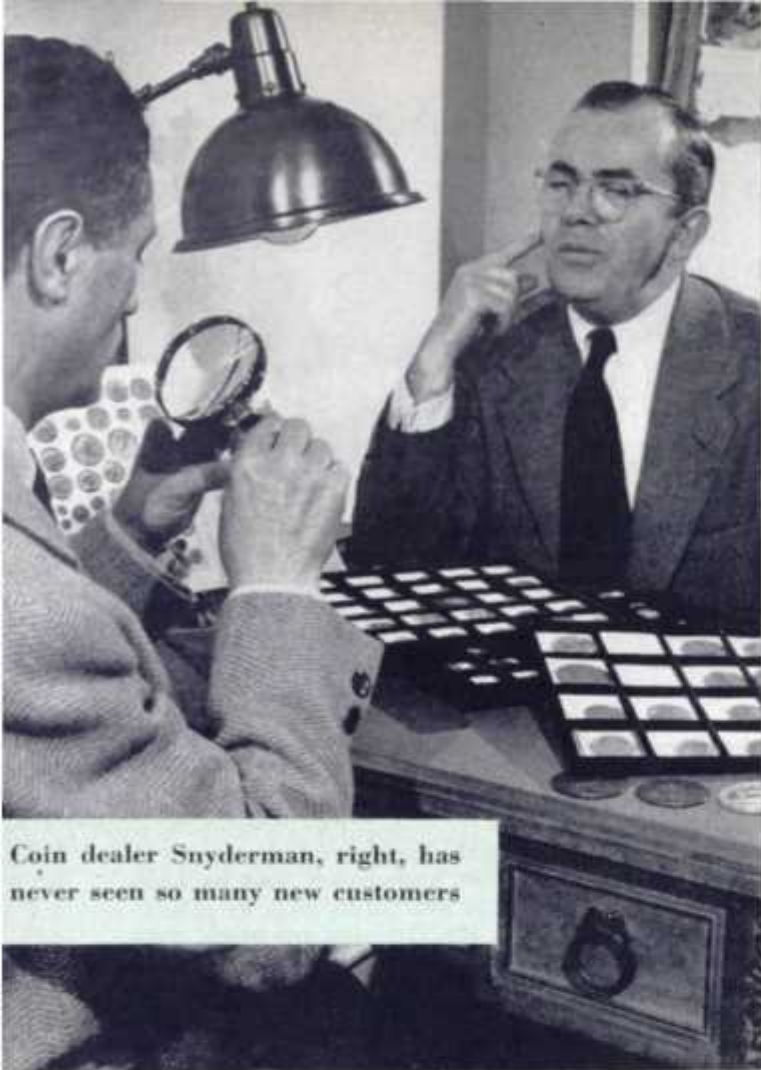
The new boron steel, which five big U. S. companies began to manufacture last February, may ease greatly the pressure on chromium, as well as on other alloying metals. Boron steel, developed during the last war by several American groups, has been called "needle steel" because a touch of boron on the point of a needle was said to be enough for a ladle of steel. Actually, two thousandths of one per cent of boron in a heat of steel can cut in half the requirements of chromium, nickel and molybdenum. Boron steel takes closer control of temperature in processing, but otherwise is easier and cheaper to make than conventional alloys. It is being used in armor plate and antitank projectiles, and is being readied for automobile gears, engines and transmissions.

Antimony is another essential metal which we once obtained from China and are now scratching for. It is used in alloys, as a hardening agent in shrapnel, type metal, solder and bronze. It is also used in storage batteries, in paints, plastics and glass and as a fire-retardant. We are stimulating production in Mexico, Bolivia, Peru and Chile. Because of its scarcity, the price has doubled in the past two years, and may go higher.

The story of tin is one of the most dramatic examples of what we can do in a pinch. We import all our tin and we use half the world's production. Used in alloys, solders and coatings, tin is essential in automobiles, railroad trains, airplanes, tanks, telephone and electronic equipment and in numerous other machines and materials. Its biggest American function is in lining sheet steel to make tin cans, and before World War II about one half of our tin was used for that purpose.

In recent years, close to 60 per cent of our tin has been coming from Malaya, Indonesia and Thailand, where dredges scoop up the rich ore from the beds of rivers. In an ideal world, all materials would

(Continued on page 64)

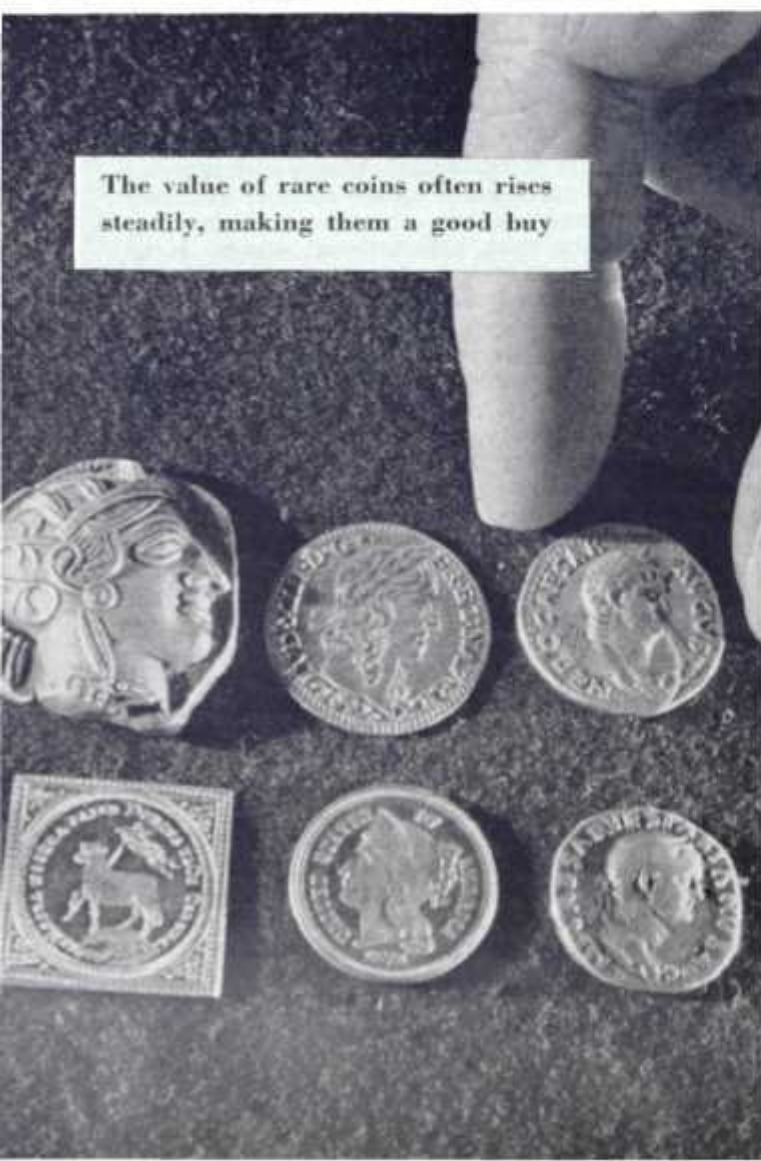


Coin dealer Snyderman, right, has never seen so many new customers

When DOLLARS Run to Cover

By RICHARD B. GEHMAN

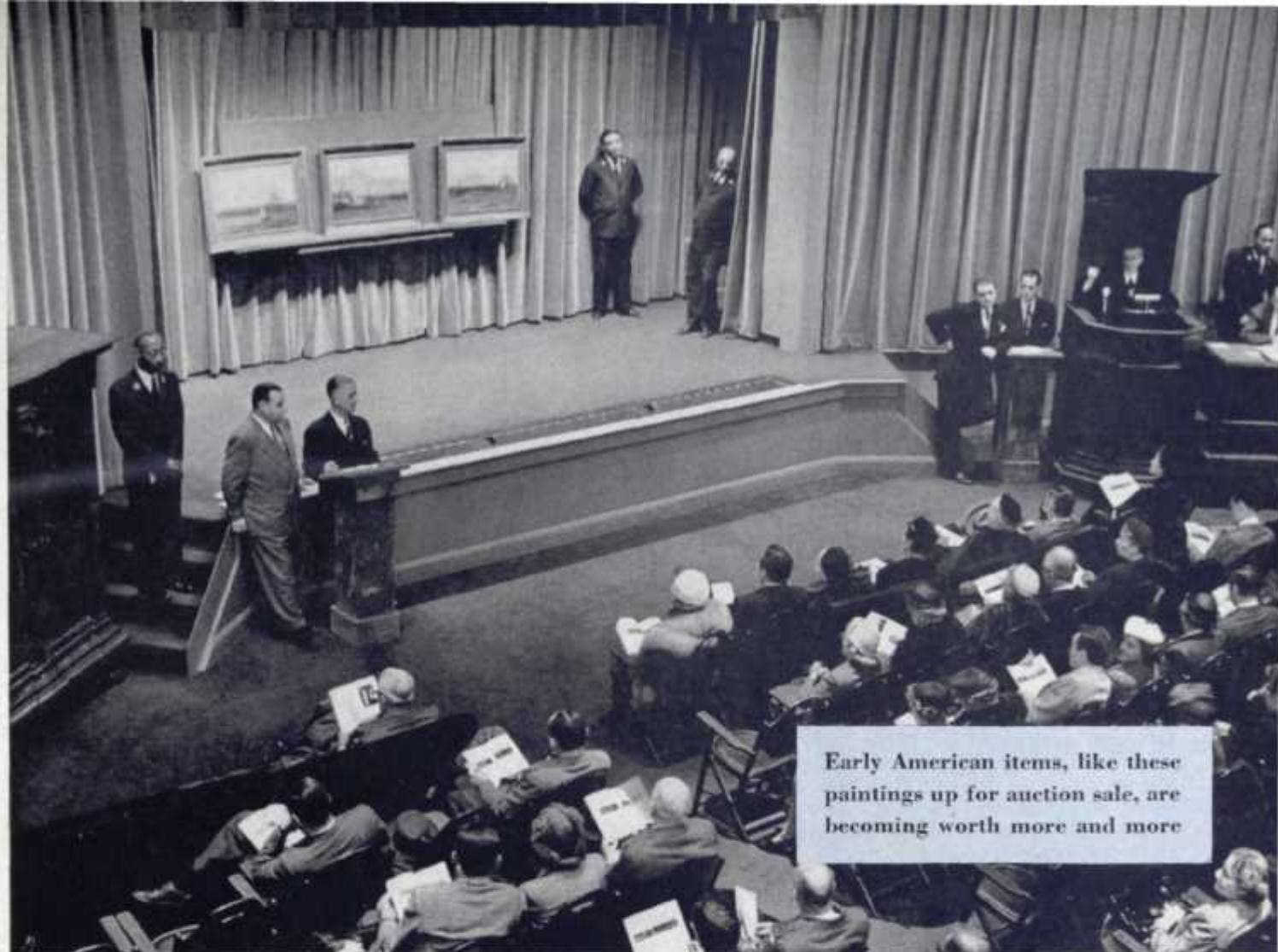
Europeans have long turned to fine objects as a hedge against inflation and unsettled conditions. Now Americans increasingly are doing the same



The value of rare coins often rises steadily, making them a good buy



This block which Bernard Harmer is examining is catalogued at \$6,600



Early American items, like these paintings up for auction sale, are becoming worth more and more

PHOTOS WERNER WOLFF FROM BLACK STAR

THE CUSTOMER said he wanted to get a bracelet for his wife. "A gold one," he said, "with some charms on it." Smiling tolerantly, the shopkeeper shook his head. "Has she got her heart set on charms?"

"Well, no," the man said, puzzled. "Why?"

"Listen," the shopkeeper said, earnestly. "Say you buy her a couple of charms worth \$30 apiece now, a couple of months from now they'll still be worth \$30 apiece. Don't buy charms. Buy old gold coins—six months from now they may be worth ten, 15 per cent more."

"What you want to do today is to put your money in stuff you know'll go on increasing in value."

The shopkeeper's speech may not have been sound, but his logic was. The customer took his advice and bought a few gold coins for his wife's bracelet, thereby joining a horde of Americans who recently have been making New York's art dealers, coin and stamp dealers, precious stone salesmen and antique auctioneers clap their hands in unparalleled prosperity.

Never before has the fine-objects business enjoyed such a boom—not even in the free-spending 1920's, when agents for William Randolph Hearst and other multimillionaire collectors were buying and storing hundreds of thousands of art treasures like so many frantic, cultured magpies. The bonanza is not confined to New York. In every major city, dealers are reporting increased traffic in luxury items.

Appreciation of the arts has little to do with the ripple of buying that began shortly after World War II and since has developed into a wave of billion-dollar proportions. The sole reason resides, although usually not for very long these days, in a man's wallet. It is the dollar, which, according to the Department of Labor's consumers' price index for this writing, is worth 54.4 cents in relation to the 1935-39 dollar.

In this inflationary period, man's traditional pursuit of the dollar has been thrown suddenly into reverse. Today, as a hedge against inflation, the sensible thing seems to be not to pursue the dollar, but to fly from it—or, more literally, to

get rid of it by converting it into possessions of comparatively stable, enduring value.

Alchemy of this kind has been common in Europe for centuries. Wealthy continentals always have known that currency, as such, is undependable—and therefore far inferior to precious stones, paintings, fine furniture and *objets d'art*. They customarily have put their capital, whenever possible, into easily transportable or negotiable articles, principally because unsettled political conditions and wars have made this their most practical financial protective measure. When the Russian aristocracy fled during the Revolution, they carried as many of their treasures with them as they could, and the same was true of wealthy refugees from France, Italy, Germany and other countries in World Wars I and II.

Americans, who never have thought of themselves as potential refugees, generally have tended to spend income rather than capital on jewelry, pictures and the like. But in the past two years, more and more Americans—not only the

rich, but people of moderate means—have been realizing that the Europeans' system of hedging may be the safest way to tame the fleeing dollar.

Inflation is certainly not new to this country. There have been other inflationary periods, but the present one is affecting an unprecedented number of individuals and businesses and, considering the importance of the United States' position in world affairs, may be the most critical in history.

For this reason alone, perhaps, more people than ever have become conscious of the need to take some step that will protect the gains from their labors. There are other reasons: the fear of an atom bomb attack, and the fact that the most pronounced political trend of the past quarter century has been toward a socialistic form of government.

Finally, there is the profit motive. Luxury items ordinarily advance gradually in value, but some art treasures have been known to go up sharply in a relatively short period of time. Two years ago, when William Goetz, Hollywood movie producer, bought his now-famous, controversial self-portrait by Vincent van Gogh, he paid around \$100,000 for it. The picture has been declared a fake by a jury of experts, but last December the U. S. Treasury Department agents investigated and allowed it to come into this country as an original. Today, according to

Goetz's art agent, Reeves Lewenthal of Associated American Artists, Inc., the van Gogh is worth at least \$200,000, and if Goetz wished to sell he could realize a tidy capital gain.

Such rapid price jumps have made some sharp-eyed speculators, whose only knowledge of pictures is the fact that they sometimes are hung on walls, believe that it is possible to make quick killings by buying art treasures, holding them briefly, and earning capital gains by selling them later. There are two hitches to this seemingly fool-proof scheme. One is the Bureau of Internal Revenue's habit of keeping a wary eye on most art transactions involving four or five figures. If a man sells two or three paintings at a profit in a single year, he is likely to be adjudged as being in the business, and no amount of fast talking will convince the Bureau that he should be allowed to count his returns as legitimate capital gains.

The second catch is less tangible, and for that reason even harder to avoid. It is rarely possible to go out and buy a high-priced painting with the certainty that it will go up in value.

Paintings—and, for that matter, all *objets d'art*—have seasons of vogue. At the moment, for example, works of certain French painters of the nineteenth century are bringing top prices. On the other hand, an eighteenth century British portraitist, whose pictures

commanded prices as high as \$25,000 less than a score of years ago, is so out of favor today that it is seldom that one of his canvases brings \$2,500.

It's not inconceivable that the French impressionists could go out of style with equal rapidity; but it also would not be impossible for the eighteenth century British artists to come back in. Thus a layman, setting out to buy paintings or sculpture as hedges, would need more than a layman's knowledge not only of art but also of the fluctuations in the taste of the art-buying public—two specialized areas of knowledge in which experienced dealers alone stand as authorities (and, ironically enough, no reputable dealer would pretend to be able to predict the durability of any fad).

Nevertheless, many people of the "I-don't-know-what's-good-but-I-know-what-I-think-might-be" school of thought have been buying paintings rather indiscriminately. Dealers along 57th Street in New York say they've never had it so good. In early February of this year, one dealer reported a 40 per cent increase in gross over the comparable period in 1950.

"A good many of my new customers obviously have never been in art galleries before in their lives," one dealer has said, blandly. "They'll buy almost anything, as long as it's high-priced—they figure it's bound to go up, because they've heard of other paintings going up. I've advised some to go easy, but after all, I'm in business, too. The only way I can keep my conscience clear, I suppose, is to assume that they're only buying the pictures because they like them. But you know, I have a feeling that a lot of people who're buying Picassos or Braques today would be a lot happier with Norman Rockwells—assuming, of course, they were interested in the pictures as art."

What applies to styles in paintings also applies to home furnishings. "You can't get servants to take care of heavy old tapestries, for one thing. And home decorations are a lot less ornate than they used to be."

In 1937, O'Reilly's gallery sold a tapestry from the collection of the late Frederic A. Juillard for \$8,800. Last year, when it came in for resale, all that could be asked was around \$2,000. Similarly, certain styles of antique furniture—particularly heavy, richly carved sixteenth and seventeenth century Italian and Spanish pieces, which

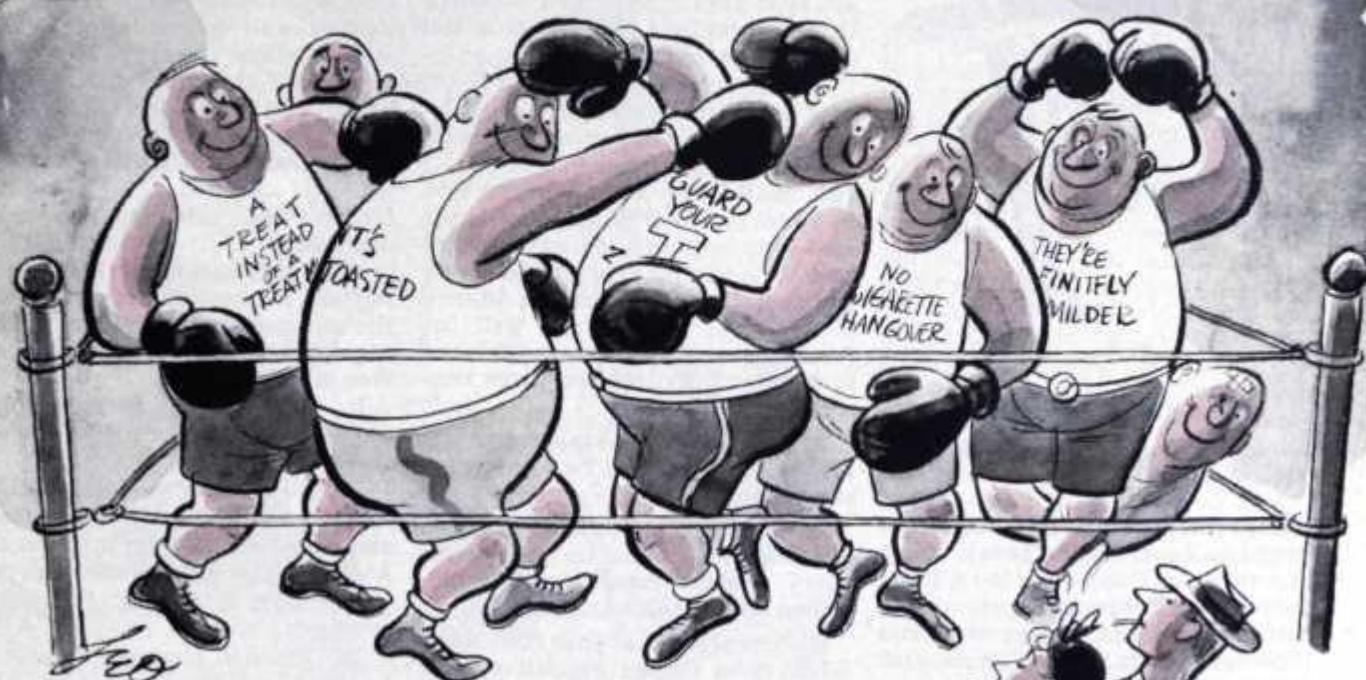
(Continued on page 84)

These five paperweights were auctioned off at the Parke-Bernet Galleries in New York City some time ago for \$2,325



Their Sales Go up in Smoke

By WILLIAM J. SLOCUM



FOR 25 years the cigarette makers have been engaged in a Donnybrook that has upped their market by millions. The decision: a draw



LEO HERRSHFIELD

THERE ARE two clichés in connection with competition. One is "dog-eat-dog" and the other "cut-throat." Both infer a certain amount of harm to at least one participant — a dog gets devoured or somebody gets his throat slit. The finest example of industrial dog-eat-dog, cutthroat competition in the past 25 years is the cigarette business. But the only pain incurred by the contestants to date is the annual shock of finding themselves in a higher tax bracket.

The Government, since 1911, has been reluctant to admit that there is *any* competition among cigarette peddlers. Uncle Sam looks with a suspicious eye on the extraordinary coincidence that most gaspers cost exactly the same and that most tobacco is purchased for figures that suggest the big leaf buyers confine their competition to their nightly poker games.

The companies answer by claim-

ing that it is not absurd that similar grades of tobacco in the raw should be sold at a similar figure. And the price of cigarettes is completely dependent on the price of tobacco on the warehouse floor.

Be there competition for the raw material or not—and a court at Lexington, Ky., already has ruled that there is collusion—there remains, nevertheless, a fierce and unbelievably expensive Donnybrook among men who sell tobacco best. They are fighting for your favor. And the more they fight the more they spend. And the more they bank, too.

The object of this treatise is not to take another crack at tobacco or the way it is sold. Nothing stops cigarette sales! Rather, we propose to take a look at an industry which in 1950 sold more than 393,000,000,000 pieces of paper wrapped around chopped-up tobacco. A quarter century ago this same industry

sold fewer than 100,000,000,000 of the same product. The extraordinary part of this tale is that no matter how you cut it, flavor it, toast it, pack it or glamorize it, it is basically the same product. And always has been.

Another strange factor is that no cigarette is any stronger than its next advertising campaign and nobody in the advertising or cigarette business can predict the success of a campaign. They all know that it costs money—more money has been spent pushing Lucky Strikes than any other product on the market—but they all know to their fiscal horror that mere money will not sell cigarettes. One of the Big Three curtailed its ad budget \$4,000,000 in the uncertain early 1930's and the economy cost them \$20,000,000.

In the quarter century between 1925 and 1949 Lucky Strike has been the leading seller 14 times,



A night club girl ruined a sales pitch for one maker

Camel the remaining 11. Chesterfield has been second seven times and third 18. Camel has been third only once, Luckies six times. Indications are that Camel won the 1950 race, with Luckies place and Chesterfield show.

But for all the money spent by Camel and Luckies since 1925, the former's lead over Luckies is one per cent. A conservative guess would set \$500,000,000 as the sum these two companies have spent in this remunerative stalemate. But nobody knows how many millions were spent in the entire industry in the battle for your cash.

Nobody knows because the cigarette industry works with considerably more rivalry and secrecy than any business in the land. Everything is secret in tobacco. But the big secrets are advertising costs and sales. The operators not only refuse to divulge such figures to itinerant reporters; they won't tell them to their stockholders. In no management report could I discover how many of any brand of cigarettes were sold. Nor are there any advertising figures published. These are lumped, in some cases, with the cost of raw tobacco and in others with equally related expenses such as the wages of truck drivers and machine operators.

Sales superiority presents an obvious and potent selling story to an industry frantic for selling stories. But the big makers are reluctant to take advantage of it because the lead is constantly changing. Camel, who held the 1950 leadership was a good bet to drop in 1951. However, it recently set something

of a precedent by boasting that it was still No. 1. Chesterfield is not going to admit it's spot, but it will boast of the everlasting stranglehold it has on metropolitan New York, the world's richest market. Philip Morris is the sensation of the industry but it is, nevertheless, rated fourth. Promotion figures are kept under cover because when things go well no firm wants to tell a rival how much it is costing.

But there is a man in New York who has been computing sales statistics for his tobacco investing clients and the magazine *Printer's Ink*. He is Harry Mace Wooten, and he relies on his friends in the trade and figures published by national and state taxing agencies to arrive at his decisions. Wooten's figures, in his own words, "are well informed guesses." I have confidence in Wooten's figures for three reasons:

1. The general respect and affection I discovered he enjoyed in the trade.
2. The unanimous look of beaten admiration I found in the eyes of every tobacco executive I questioned on Wooten's accuracy.
3. The scream of pain that came forth from Camel executives one year when Wooten placed them second and they thought he was wrong. Camel promptly forgot its vow of silence and sent forth telegrams to the trade correcting the alleged error. It was Wooten's first complaint since he opened shop in 1928.

The R. J. Reynolds Company invented the modern or "blended" cigarette, but its arch rival, the American Tobacco Company, made it what it is today. American, like Reynolds and all the others, was rich, tradition laden, ultraconservative and very southern in all its ways. But to vice president Percival Hill of American was born a son, George Washington Hill, recognized as the best tobacco peddler who ever lived. George Hill set the pace in selling cigarettes and although he died five years ago his mark remains.

In 1911, George Buchanan Duke's tobacco trust was broken. Duke retired from the business, although he did not retire far. His own American Tobacco Company and all the new firms remained in the control of most friendly hands with the exception, possibly, of Reynolds. Duke appointed the elder Hill president of American and named George, seven years in the business, as a vice president.

In 1913, the Reynolds company introduced a cigarette it called

Camel. The industry was more interested in Camel's innovation of selling cigarettes without premiums than it was in the firm's claim that something new had been added. The something new was really something quite old—burley tobacco—hitherto confined to pipe smoking. The burley was sweetened with flavoring (another secret) and mixed with Turkish and yellow leaf. This first "blended" cigarette was a smash hit, selling 500,000,000 the first year and passing the leader, Fatima. Three years later a little Maryland leaf was added to this "blend" but burley was, and is, the magic ingredient.

With the lead snatched from its Fatima, Liggett and Myers entered the sweepstakes in 1916 by doctoring up their Chesterfields, hitherto free of burley.

In 1917 Lucky Strikes joined battle, with George Hill overseeing the campaign.

Before a Lucky was sold, Hill was looking for a slogan. He puttered about watching them mix Luckies. A part of the process then, as now, was baking or drying. It required ovens, of course.

Hill decided that the reason his Luckies would be better than Camels or Chesterfields was because "they're toasted."

Thus, in 1917, Hill came across the way to sell cigarettes, and it's the way they are sold today. It's called "point of difference." Hill



Women smoked in public for first time in the '20's



The "medical story" is today's big gimmick in advertising with most makers assuring you that their product is o.k.

found a "point of difference" to push. It meant nothing that all cigarettes were toasted. Or that none were, depending on what you think the word "toasted" means.

Hill's first ads were somewhat circumspect—a cigarette on the end of a toasting fork. The fact that Luckies were toasted at first amused the competition. Whose cigarettes weren't toasted? But then Hill let them have it. Lucky Strike ads began to ask, "You Wouldn't Eat Raw Meat, Why Smoke Raw Tobacco?" and the competition began to squirm. It was bad taste, said the competition. It was selling Luckies like mad, which was worse.

Where Hill belongs in the next phase is moot. For the next phase followed right on the heels of World War I and saw America go cigarette mad. Was it Hill's ads and the ads he smoked out of the competition? Or was it that soldiers found cigarettes a source of com-

fort in addition to finding them cheap in Europe where they sold for seven and eight cents or were given away freely?

Perhaps it was a part and parcel of the frantic jazz age. Or, and whisper this behind locked doors, was it the fact that women were smoking heavily? Whatever it was, the end of World War I saw the birth of the cigarette industry as we know it now. In 1916, the industry sold 25,000,000,000 cigarettes; in 1919 it topped 53,000,000,000; in 1925 the total hit 82,000,000,000.

If the rise continues this year Americans will smoke 1,000,000,000 cigarettes every day. O. Parker McComas, president of Philip Morris, expects such sales to continue for a long time. The industry rise in 1950 was probably two and one-half per cent. McComas says:

"Because of the increase in population caused by the birth rate in the 1930's and the increased

smoking among women, I expect the entire industry will show an annual increase of between two and three per cent until 1960. In 1960 we will feel the birth rate of the 1940's and then the industry will jump to an annual increase of six per cent."

And McComas isn't considering the export market. Nor, happily, the American troops overseas. Between them they used 30,000,000,000 in 1950.

The importance of the female of the species was recognized by Hill and his compatriots in the 1920's but, as so often happens in such matters, the gentlemen didn't know what to do about the ladies. With the end of World War I the female smoker began emerging from the bathroom and the boudoir and puffed in the parlor.

The cigarette sellers knew that ladies were indulging and so did the reformers. A Dr. John Kellogg made quite a nice thing out of impassioned attacks on female addicts. He even promised that every female user of tobacco would, within a short time, sprout a mustache. The ladies, of course, kept on smoking and few sprouted mustaches. But the cigarette people were afraid to exploit publicly the gold mine they knew was underfoot.

Camel worked up its courage and used ads showing a nice looking lady purchasing a carton but didn't dare hint she might be buying them for her own use. Chesterfield ads showed lissome wenches surrounding a smoking male and imploring him to "blow some my way." Finally, fully a quarter century ago, Marlboro shocked a lot of people, and sold a lot of cigarettes, by showing a female hand with a Marlboro in its fingers. But there was no word to suggest she was doing anything more than holding the cigarette while her gentleman caller was working up a lather to shave off her mustache.

In 1927 a cigarette ad finally did what all cigarettes had been wanting to do for almost a decade—show a lady smoking. The man who broke the jam was George Washington Hill. He bought a lot of endorsements from gals who proclaimed the weed was a hobby which had not interfered with their social and artistic successes.

Even in the late 1920's it was illegal in many states to show a billboard picture of a lady using tobacco. But generally there was public acceptance. William Allen Neilson, president of Smith College, said that his girls could smoke

(Continued on page 66)



PHOTOS BY GEORGE LOHN

Live entertainment helps remove any feeling of isolation. Lily Pons was a recent guest

The GI's Own Hospital

By GEORGE SCULLIN

OUT IN THE northwest section of Washington, D. C., just eight miles from the white dome of the Capitol, sprawls the Army Medical Center, a huge military city devoted to the administration of Army medicine throughout the world. Most of its 278 buildings are of Georgian architecture, with curving roads through tree-shaded parks giving it more the appearance of a college campus than a government installation. In the heart of the Center, in a landscaped area, is Walter Reed Army Hospital, vast and magnificent.

It took a consulting doctor from Johns Hopkins Hospital in Baltimore to point out the wonders of this installation. After the consultation for which he had been called in, he asked for a tour of the hospital. They took him through wing after wing, and ward after ward, and everywhere it was evident that the Korean incident had been more than an incident to the boys involved. Yet at the conclusion of the tour the civilian doctor said:

"It's hard to believe. We have the wounded here, but there are no sick."

As he spoke a file of amputees came swinging down the corridor and across the cheerful reception room. They were carrying out an intricate snake dance—two beats with the left crutch, two with the right, and a hop with whichever foot was still available.

"That's what I mean," continued the doctor. "If this were the last war, those boys would be in bed."

"If this were the last war," replied a staff surgeon, "many of those boys wouldn't be here."

But the boys are there, and they aren't sick, and therein lies the

clue to the progress—maybe transformation is the more accurate word—that has taken place in military medicine in the past five years. Gone are the hide-bound traditions, the ivory-towered brass hats, the treatment of code-numbered patients according to code-numbered regulations. Present is a simple, unchallenged statement:

No patient in any hospital in the world can get more expert medical attention and more devoted care than can the GI in his own Army hospital.

The files of case histories are still present at Walter Reed. They show that the 2,200 beds are occupied, that 14,702 bed patients were admitted in 1950, that 802 came in from Korea in six months, and that in physical therapy alone some 263,450 treatments were administered last year. The case histories once served almost exclusively to keep the doctors informed on the progress of their patients, and every doctor had to know his file

cabinet. Those days are gone. Now he has to know his patients.

Gone, too, are the days when Walter Reed was a stateside hospital, thousands of miles removed from the battlefronts of the world. Today every field station on the firing line is an emergency entrance to Walter Reed, and a bad shell burst in Korea finds the Washington hospital backing up the front lines.

A young fellow in the amputee ward whom we can call Henry Olson illustrates Walter Reed's proximity to the shooting zone. Henry mistook a Red guerilla for a South Korean—"was I embarrassed—" and came out of the encounter with a shattered leg. But Henry was ready with the second shot. He saved it. A dead Red was of no use to him, but a live Red with two legs could help a lot. So Henry, pistol in hand, climbed aboard the Red's back and forced his prisoner to carry him back to a battalion aid station.

There a young doctor only three weeks out of Walter Reed gave him miracles one, two and three in rapid succession. Transfusions of whole blood washed the gray pallor out of his face and replaced it with a healthy pink. Not plasma that would only preserve his vitality, but whole blood which would restore it. Next came the administration of antibiotics to the open wound. Not just the sulphas—miracle drugs of World War II—but a whole family of antibiotics that would avert infection from almost every known source including the poison-impregnated soil of Korea. And finally, by helicopter and flying hospital planes, Henry was transferred to Walter Reed.

There is something almost mystic in that cycle. Four days before Henry drew his quota of blood, it had been a vital, throbbing part of a citizen in New York. It had journeyed halfway around the world to that remote hillside in Korea where Henry had stopped a slug. And four days after that it was back in Washington, D. C., a vital part of a citizen of Walter Reed.

That cycle is but a sample of the great developments that are always in the process of perfection at the Army Medical Center and Walter Reed Army Hospital. It always has been thus, ever since the hospital opened for business in 1909.

The man who gave the hospital its name, Maj. Walter Reed, had been something of a miracle

EVERY first aid station on the firing line serves as an emergency entrance to Walter Reed, famed home of Army medicine. Here the only objective is restoration of the wounded

For those who prefer to read, there are comic books, best sellers or magazines



Korean casualties get out around the hospital grounds when weather is good



worker himself. It was he who, at the turn of the century, and at the risk of his own life, discovered the cause of yellow fever and thereby destroyed one of the greatest plagues to affect mankind. Typhoid, beriberi and scores of other diseases to which American soldiers all over the world were subject likewise yielded to research carried on in the laboratories at the Army Medical School adjoining Walter Reed. There, too, was found the way to purify drinking water that has saved untold millions of lives all over the world.

In fact, so world-wide was the scope of Army medicine, and so abstract did research become, that for a time there was some danger that the lone soldier in a hospital bed might get lost in the shuffle. Early publicity didn't help much, either. Because Walter Reed is so handy to the nation's capital, it inevitably became a medical show place, famous for the high brilliance of the brass being admitted there for treatment. To the men in the ranks it became something of a convalescent officers club, reserved for colonels and above. That the reputation was undeserved in no way impaired its existence. No one seemed to find it expedient to deny it, and part of the reason for this lies deep in the nature of Army medicine itself.

As in no other field of medicine,

the Army deals constantly with catastrophe and disease on a tremendous scale. A civilian train wreck that kills 84 and injures scores of others, is disaster enough to horrify a nation, but the stark fact remains that in terms of Army medicine such carnage can result from a single direct hit on a troop ship, troop train or truck convoy. To Army medics disaster strikes ceaselessly in bomb-load lots. In civilian medicine an influenza epidemic, a spot of black plague, polio or a flare-up of scarlet fever can panic a well organized, ultrasanitary city. In Army medicine, working in miasmatic swamps and the pestilential air of rotting jungles, the medics fight plagues in the cesspools that breed them.

Faced by the magnitude of their task and the wide range of their operations—there is no jungle or island in the world that might not assume vast importance in military maneuvers—the medics can be forgiven if for a time they tended to put more emphasis on getting a big job done than on publicizing their services to the lone soldier in the bed. He became a case history, a well-cared-for statistic, and his progress was noted carefully on graphs in Washington.

Some four years ago the new surgeon general, Maj. Gen. Raymond W. Bliss, moved into his

office and found an efficient staff thoroughly conversant with the case histories of just about every patient in an Army hospital.

"That's fine," he is reported to have said in effect. "But from now on we are going to know the case histories and the patients."

With that, General Bliss took off on a tour of the hospitals, their kitchens, operating rooms, wards, and—one by one—the patients. At any time, and several times a year, he repeats his tour, calling the boys by name and personally checking their progress. And when he isn't making the rounds, members of his staff are, both at home and abroad. Morale has climbed tremendously as a result.

At Walter Reed continuous improvements are being made. With pride its name was changed from Walter Reed General Hospital to Walter Reed Army Hospital, and with the change in name have come the rewarding changes that have made it one of the finest hospitals in the world. Yet these changes were not simply come by through the change of a name or a policy.

When Major Reed moved in on yellow jack, he was one man moving upon the unknown. Except for his three assistants he had more opposition than cooperation, little money and less equipment. This is mentioned not because of the historic importance of his incredible victory, but to emphasize that it took place only 50 years ago.

Since then, through the chaotic conditions of two staggering world wars and what is called an "incident," research, surgery and medicine advanced through teamwork at a rate that is fantastic in retrospect. No one Army executive, engrossed in the frantic emergencies of his own department, was in a position to coordinate the discoveries made in other departments.

The lull between the last war and Korea provided the long-needed opportunity for coordination. Explains Maj. Gen. Paul H. Streit, Commanding General of the Army Medical Center:

"All we did was to add up what we had learned, and then apply it to our patients."

He is a gently smiling man, intensely serious. His acuteness in following medical developments is as legendary as his ability to sense sinking morale.

Once he discovered a group of convalescents moping around on a week end, unable to get out on a pass because they had no street clothes. The wardroom attendants,

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Typhoid vaccine for the entire Army is turned out at the medical center. Here four technicians check over one step

Deck OF DALLAS

By FRANK X. TOLBERT

DECHARD A. HULCY assumes office as the
National Chamber's twenty-fourth president.



IN THE early spring of 1920, a \$155 a month clerk in Lone Star Gas Company's Dallas office was spending much of his spare time reading illustrated catalogs of oil field equipment.

The clerk, Dechard Anderson Hulcy, was memorizing the names of all the thousands of machine parts which go into a standard oil well drilling rig. When he had learned the names and pictures of the machine parts, "Deck" Hulcy began making trips into Texas oil fields on his days off. He talked with hundreds of drillers. He compared the catalog names for the oil field equipment with the salty terms which the drillers used for their machinery. In a few weeks, there was no man in the Lone Star Gas Company who knew more about drilling rig terminology than D. A. Hulcy, the \$155 a month account clerk.

Through this strenuous off-duty study, Hulcy fitted himself for a \$20 a month promotion in pay. He left his stool in the accounting office and became a field clerk who visited Lone Star Gas' far-flung drilling operations and took careful inventory, down to the last swedge nipple, of the drilling rigs. Hulcy quickly gained the rather startled respect of oil field workers, who were accustomed to dealing with inventory clerks from the Dallas office who didn't know the difference between a swivel hose and a kelly joint.

This story pretty well illustrates how Dechard Anderson Hulcy advanced from countinghouse clerk for Lone Star in 1920 to the company presidency and a \$50,000 a year salary in 1940.

This story doesn't tell much, though, about the shrewd and wonderfully warm personality of this huge man who took office May 2 as the twenty-fourth president of the Chamber of Commerce of the United States.

Hulcy, a fourth generation Texan, is the first man of the Southwest to head the United States Chamber. His close friends, like Dallas Banker Ben H. Wooten, approve the Chamber's choice.

"I would say," said Wooten, "that Dallas' greatest committee chairman is getting a job where he can do the whole country some good. It's time we shared him."

Actually, Dallas already had been sharing the great committeeman. For Hulcy is the current president of his national trade group, the American Gas Association. And during the past five years he has labored mightily as chairman of the U. S. Chamber's Policy and Natural Resources committees.

Hulcy had an unprecedented three terms during 1947-49, as president of the Dallas Chamber of Commerce. In Dallas now, he is either president, vice president, director or trustee of 29 civic bodies.

Somehow, this patient, smiling 250-pounder also finds plenty of time to run Lone Star Gas, which has more than 6,000 employees and serves 370 cities or towns of Texas and Oklahoma, and the firm's giant affiliate, Lone Star Producing Company.

"Run" is the wrong verb, though, to describe Hulcy's leadership in his companies.

In his 15 years as executive vice president or president, his associates can't remember Deck giving a direct order. With his big, round face smiling, he makes "suggestions" to his folks. He's no taskmaster. He never scolds. Instead of commands, he "asks favors." And his 6,000-man team at Lone Star rushes to carry out those suggestions.

All of the company's top executives, like Hulcy, came "from the ranks." It certainly doesn't hurt morale on the 6,000-man team to know that the big boss worked his way from the bottom, that he never got past the eighth grade in public schools.

Hulcy's opinions can be tough and pointed. He's not lacking in aggressiveness or strength of spirit. Yet a wonderful atmosphere of kindness seems to pervade almost everything he does.

For example, recently when he was announcing a wage increase to some assembled workers, Deck clasped his big fists comfortably around his heroic paunch and opened his remarks with:

"I have not forgotten how it felt in post-World War I inflation days when I was trying to support a wife and four children on \$155 a month."

During his 15-year leadership, Lone Star hasn't had a work stoppage.

The employees like to tell stories about their boss' prodigious memory for figures.

In the early 1920's when the company had only about 100 cars and trucks, Accountant Hulcy could rattle off from memory the company numbers of each of the firm's vehicles.

"Mr. Hulcy seems perfectly at home in a maze of figures," commented a Fort Worth paper in 1936 when Hulcy was in that city for a hearing about gas rates.

The hearing was before the Fort Worth City Council, which was asking Lone Star to lower its gas rates. Without any notes, Deck Hulcy made an hour-long speech to the council in which he used a complicated bunch of figures in defense of the gas

rates. He managed those figures wonderfully well for a good argument, though. The late Mayor Van Zandt Jarvis of Fort Worth interrupted Hulcy to ask: "Young man, how much does Lone Star Gas pay you?"

"A reasonable salary, sir," Hulcy replied.

"Well," declared the Fort Worth mayor, "whatever your salary is, your company ought to double it after this speech you've made today."

And the Fort Worth citizens, who'd gathered in the council hall for angry protests over the gas rates, found themselves applauding Hulcy at the end of his talk.

Dallas, during the three years Hulcy was chamber president, had its greatest industrial growth. He went about the country persuasively inviting industries to move to Dallas.

For instance, he was the contact man in getting Chance Vought Aircraft Company, with its current 6,500-man payroll, to move from Connecticut to Dallas.

"It was Deck's personality that put over that Chance Vought move," declares Ben Critz, manager of the Dallas Chamber of Commerce. "When Hulcy tells a man something—even a stranger—that guy has a feeling that he's hearing the truth."

This has been a secret of Hulcy's success as a great committee chairman of civic campaigns, says Wooten.

"Deck's first and biggest job is to convince himself of the worthiness of the campaign. This takes a lot of doing."

"Once Deck has sold himself on the campaign, there is no stopping him. He goes about it as if he were fighting a holy war."

Hulcy was elected president of the American Gas Association last autumn. And he asked the advice of the AGA executive committee before he accepted the U. S. Chamber presidency. The AGA

executive committee approved his taking the added job with these words:

"This is a great honor to the gas industry, the first time an operating public utilities man has been named to the presidency of the U. S. Chamber. . . ."

In the City Club, gathering place for Dallas' civic leaders, Deck Hulcy is sometimes jokingly called "a fat Abraham Lincoln."

He takes jokes about his 250 pounds in good humor. And some of his friends say his overweight may be another manifestation of his selflessness. "He just never thinks about himself enough to take time to reduce."

Despite the heft, he was shooting in the low 80's on the golf course until quite recently. This year, his stern schedule hasn't permitted any golf. He does wedge in a little time on his 650-acre stock farm near Palestine, Texas. And he still has the muscular arms and calloused, thick hands of a farm worker. Deck started manual labor in an East Texas cotton patch when he was six years old.

He was born Nov. 13, 1892, in a farmhouse in the Nesbitt community of Robertson County, Texas. He comes of old Texas stock, and one of his maternal great grandfathers got himself scalped by the Comanches in the 1830's.

Deck's father was a cotton farmer, with training as a barber, named Joseph Clinton Hulcy. In 1899 the boll weevil destroyed Father Hulcy's cotton crop. The rundown 100-acre farm was lost to the bank. And the economic situation of Clint Hulcy, his pretty wife and his three young sons was desperate. Uncle Jefferson Hulcy owned a timber-cutting operation at DeQueen, Ark. He offered his brother a job. The family set out for DeQueen by wagon. It took them four months and they almost starved before they got there. They had only two horses, and one of them broke down. The family had to camp out in winter weather until the horse recovered enough to travel. During this frontier-style trip, Deck says he and his two brothers, Archie (now a retired Army colonel-farmer) and Emmett (now a Shreveport railroad blacksmith) "got as wild as woods colts."

When they got to DeQueen and Father Hulcy took his timber job with Uncle Jeff, things settled down to a kind of normalcy. The three woods colts were put in the DeQueen Common School, then a four-room frame building.

Characteristically, Deck has a vivid memory of the contents of his primer and of the name and teaching style of his first grade instructor, Miss Ella Johnson.

Except that they had few material things, the Hulcys were marvelously happy and loyal to one another.

"I never saw a happier married pair, nor a happier family," said Deck.

Money was always a problem, though, and Deck got his father's permission to quit school after the eighth grade. Deck was a powerful lad, per-



It's a treat all around when David Yeargan and the seven other grandchildren get together at their grandfather's stock farm



PHOTOS BY KONGER FROM BLACK STAR

Lone Star Gas President Hulcy started with the company in 1920 as a countinghouse clerk

haps due in part to his cotton picking training.

"Sometimes, these days," muses the president of Lone Star Gas, "I take a notion to get me a nine-foot sack and go out and pick some cotton. I hear pickers are making \$3 a hundred pounds, and that's for pulling bolls, not picking cotton out of the bolls."

Father Hulcy's job in the piney woods played out. He scraped up enough money to buy a three-chair barbershop at DeQueen and Deck became the shop's shoe-shine boy.

In 1908, the family moved to Palestine, Texas. There Deck took a \$20 a month job as messenger boy and general handyman for the International and Great Northern Railroad.

By 1914, Deck had moved to nearby Rusk, Texas. He had a \$45 a month job in the auditing department of the Texas State Railroad. And in 1914 he was married to Miss Elsie Bonner of Rusk.

Like the fellows in the magazine advertisements, Hulcy attributes some of his success to a correspondence course.

He had a natural knack for figures, a marvelous

memory. But the man who got only as far as the eighth grade in school knew he lacked information.

So every night, after Mrs. Hulcy had put the kids to bed, Deck would work on a correspondence course in accounting. He can still remember the code number of his course: "It was BIC-1784313."

It must have helped. For by 1919 he was chief auditor of the Texas State Railroad.

Fate, in the form of a child in need of surgery, sent Hulcy to Dallas.

His second son and third child was born with clubfeet. The Hulcys heard of a Dallas surgeon who could help the child. With characteristic Hulcy family loyalty, though, they all wanted to be near while the infant was being treated. So Deck threw up his good job and moved to Dallas in November, 1919.

He was out of a job for a couple of months. It was January, 1920, before he landed work with Lone Star Gas Company. In the meantime, though, the operation had been a success. The baby's feet were

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Rhubarb in Apt.

By WILLIAM BRUCKNER

"I DON'T like that Mr. Knowlton," I said when Aunt Abby left the apartment with her new boy friend. Father told me that ten-year-old boys shouldn't be so critical and then he went into the kitchen to ask Mom what in Heaven's name did Abby see in that big boob.

My brother Wendell, who is only five, never seems to pay attention to anything else when he is watching the television, but he turned away from the screen long enough to say that he didn't like Knowlton either. Wendell said that Knowlton was a shepherd.

Joe Watts, who owns the gas station on the corner, said even worse things than that about Knowlton. Joe lives in our apartment building so he takes a neighborly interest in Aunt Abby's boy friends. "You've dated some beauts in your time," he told Aunt Abby the next day when she drove in for gas. "But this Knowlton—ugh!"

Aunt Abby stuck out her chin like she does when she's mad. "And what's wrong with Mr. Knowlton?" she asked.

Joe Watts should have been warned by Aunt Abby's chin, but he didn't know the signs. "Knowlton has got spaghetti in his head," Joe said, not meaning any offense. "A pretty kid like you can do better than him, Abby."

I guess that was the first time Joe Watts ever saw Aunt Abby take off the lid. She told Joe Watts he should mind his own business. He was a fine one to talk, she said, when

everyone knew how he was carrying on with that adult delinquent from Apt. 4-G.

Who did Joe Watts think he was to treat her like a child, Aunt Abby asked me as we drove off, but I didn't answer because I was looking out the back window at Joe Watts. He was leaning against one of the gas pumps and his mouth was open.

When Knowlton called on Aunt Abby the next night he brought me a football. Without my glasses I can't see a football until it hits me in the face and with my glasses I'm not allowed to play, but I thanked him very much. He had a present for Wendell, too—a toy tool set—but Wendell ignored it until Knowlton began to fiddle with the television. We have one of the old sets, with knobs sticking out all over it like warts on a pickle, and outsiders are never able to tune in anything but those wavy lines. Wendell hates those wavy lines so he took the hammer from the toy tool set and hit Knowlton on the foot with it.

"Wendell!" father shouted in that irritable way he has when one of Aunt Abby's boy friends is in the apartment.

Wendell said that that was how they treated varments where *he* came from. I laughed, and then Mom said that after all I was ten years old now and I should be an example to Wendell instead of encouraging him. All my fault as usual.

"They're cute," Knowlton said, meaning me and Wendell. He looked

Aunt Abby said to Joe: "Now I suppose you'll go down to 4-G and brag to that blonde retread about what a hero you are."

7-B

at Aunt Abby sort of sideways and said, "I guess the whole family is cute."

Father said, "I'm not," but I was the only one who heard him. Then Knowlton took Aunt Abby to a movie. Not the neighborhood show. Downtown to the Music Hall.

A little while later Joe Watts knocked on the door. He lives right across the hall from us in Apt. 7-A and when he's not working at the gas station he sometimes drops in to see the television. He had picked up a book at the public library for me and he had a roll of caps for Wendell's cowboy pistol. My brother and I like Joe Watts.

Joe frowned when Father told him that Aunt Abby had gone downtown to the Music Hall with Knowlton. "She's seeing too much of that drip," Joe said. "You ought to do something about it."

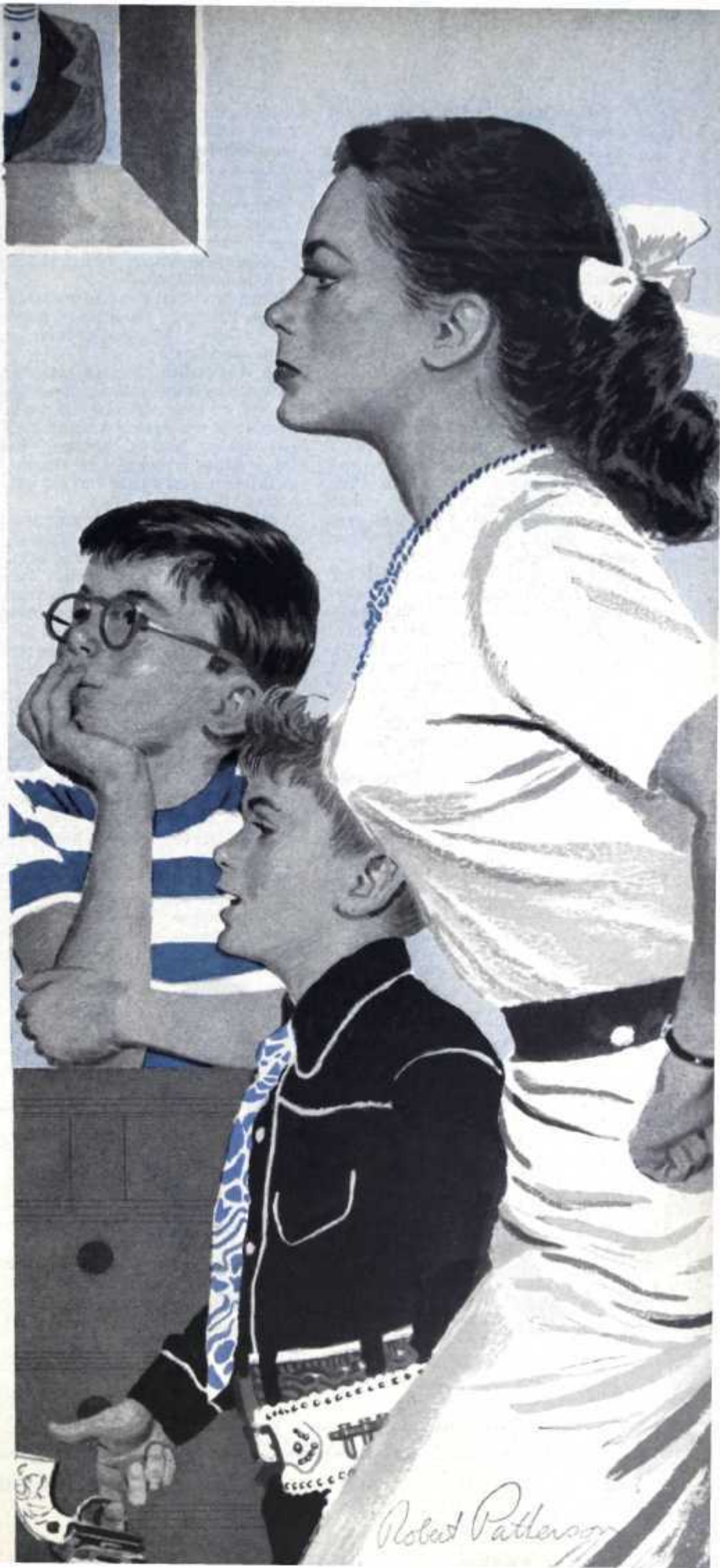
"What can I do about it?" Father asked. "Give Wendell some live ammunition?" He picked up the newspaper and pretended to read it. I knew he wasn't really reading it because he was looking at the television page. Father never watches the television and he always says that he ought to be kicked from here to Queens for letting the family talk him into buying it.

"I can't tell Abby what to do." Father went on. "She's a girl with a mind of her own."

"Yeah," Joe Watts said. "I've been noticing."

He stood up.

"It's none of my business any-



way," he said. "I think I'll go for a walk."

I didn't realize how serious it was with Aunt Abby and Knowlton until a couple of days later. I had gone to the store for Mom, and the tough Irish kid from the next block was chasing me home. As I raced toward our apartment building Joe Watts held open the front door like he always does if he happens to be around when the tough Irish kid is chasing me home.

"Nice running, Arthur," Joe said when I was safe in the vestibule.

"Lately I've been holding my breath like you told me," I said. "It gives me a lot more speed in the dashes. Thank you, Joe."

Joe didn't get a chance to say anything more because just then Aunt Abby and Knowlton came into the vestibule. They had seen me running away and Knowlton was shocked.

He pointed at the tough Irish kid who was still standing on the sidewalk shaking his fist. "Why don't you go out there and fight him?" Knowlton asked me, which was the stupidest question I ever heard of.

"Because he would knock my block off," I said.

"You mean you're afraid of him?" Knowlton sounded like he could hardly believe it.

"Every kid in the neighborhood is afraid of him," I said. "And not only this neighborhood."

"Well," Knowlton said, "no

nephew of mine is going to be known as a coward."

Joe and I looked at Aunt Abby's left hand. Sure enough, there was this dinky little ring.

"Oh," Joe Watts said.

Aunt Abby's chin went out a mile. "What do you mean 'Oh?'" she asked Joe Watts.

"Congratulations."

"Why don't you pop the question to Miss Plunging Neckline?" Aunt Abby asked. "We could have a double wedding."

Joe Watts said, "It's an idea."

Knowlton was smiling down at me as if we were already relations. "Tomorrow I'm going to buy you some boxing gloves, Arthur," he said. "After a couple of lessons you'll be able to whale the tar out of that kid."

I didn't want to take boxing lessons from Knowlton or nobody else, and I looked to Joe Watts for help. "Don't be silly, Knowlton," Joe said. "Arthur could have a boxing lesson every day for the next five years and still the tough Irish kid would give him his lumps every time he caught up with him."

"Thank you, Joe," I said.

"Is Arthur your nephew?" Aunt Abby asked Joe real meanlike.

"No," said Joe.

Aunt Abby said, "Well then."

So the next time Knowlton came to call he brought the boxing gloves with him. He and I went into one of the bedrooms where we wouldn't

disturb Wendell and the television. Knowlton took the whole thing very serious.

The first thing he said was, "You'd better take off your glasses, Arthur."

"But—"

"Take off your glasses," he said again so I did. "You can't very well box with your glasses on," he explained.

Then he put the boxing gloves on my hands and tied the laces.

"Now," he said, "try to hit me here."

I squinted in his general direction. "Where is here?" I asked.

"Here," he said. "Here." He sounded like he was getting irritable. "Can't you see where I'm pointing?"

"No," I said, "not without my glasses."

"How do you expect to box if you can't see?"

"I don't," I said. "That's what I've been trying to tell you." It struck me that Knowlton wasn't very bright in the head.

Knowlton was quiet for a while and then he said, "All right, you can put on your glasses."

"No, I can't," I said.

"Why?" It seemed to me that his voice was a little higher than when we started the lesson.

"On account of these boxing gloves on my hands," I said. "I might drop the glasses and Mom says those glasses cost twenty—"

"Oh," Knowlton said. He slipped the glasses over my ears, and then I noticed that my father was watching the lesson from the bedroom doorway. Father seemed very happy about something.

Knowlton next showed me how a boxer should stand. The left foot a little in front of the right. Left hand out. Right hand guarding the chin. I tried it, feeling very uncomfortable and sort of foolish.

"If you keep jabbing with your left hand," Knowlton explained, "the other fellow can't get close enough to hit you. You save your right hand for the Sunday punch."

I thought it over. "That seems dopey," I said. I didn't mean to contradict a grownup like Mom sometimes bawls me out for; it just seemed dopey.

Knowlton smiled at Father, but I don't think he really felt like smiling. He turned back to me. "Why does it seem dopey?" he asked.

"It seems dopey I should use my right hand for the Sunday punch."

"Your right hand is stronger than your left hand."

"Not mine," I said doggedly. "I'm left-handed."

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"Your right hand is stronger than your left hand."

"Not mine," I said doggedly. "I'm left-handed"

The Pension Turnabout

By HOLMES ALEXANDER



LABOR, habitual seeker of worker benefits, now finds management taking the initiative with retirement plans



PAUL HOFFMASTER

IT'S NO news when labor unions turn the heat on management to obtain pension agreements, but when the reverse is true—when management does the pressure cooking, even in a mild way—that will qualify for news until somebody starts nibbling the dog.

This turnabout story of pension-pushing management is a late development in the warm war pattern of industrial relations. Today organized labor is de-emphasizing the drive for pensions, while management is taking up the torch. Interviews for this article uncovered such testimony as:

1. A government labor relations expert says: "Labor isn't shoving pension plans across the table any more. But the attitude of management often seems to be 'Have one on us.'"

2. Walter R. Bimson, vice chairman of the Small Business Advisory Committee to the Secretary of Commerce, says: "I think I'm speaking for many small business men when I say that every firm on a sound financial basis should have a pension system."

3. Joe Swire, pension consultant for the International Union of Electrical, Radio and Machine Workers (CIO), asserts:

"During our pension drive last year, we found very few companies ready to offer pension plans or holding any definite ideas about the sort of plan they would accept. But now we find that most of the companies are coming up with ready-made plans which are in most respects superior to the ones we negotiated only last year."

4. Murray W. Latimer, probably the best-known pension authority in America, says that last year he worked on 125 new pension plans, all of them originated by the unions. This year, he says, he'll have

fewer plans to work on, and from early indications at least half of them will be management-originated.

What's happened?

Well, the surface reasons for this flip-flop of pension thinking are not hard to find. First, a number of big unions have long-term contracts, including pensions, so that a period of stability seems indicated. Second, and more important, there's a wage freeze on. The pay formula is subject to change at quick notice, but at this writing the Wage Stabilization Board is holding to its ten per cent limit on wage hikes, including all welfare benefits not previously agreed upon.


Even if this restriction is loosened or lifted, labor leaders are not expected to show their former appetite for pensions, either new plans or superenriched older ones. In these days of high living costs, the union chiefs are demanding hard cash contracts up to ten per cent limit. When forced to settle for side dishes of welfare benefits, the moguls of labor put pensions far down on the menu of desirables.

In this attitude they have the full support of their followers. Pension promises never did have an electrifying effect on unionized workers. In 1946 the coal miners were said to be crying aloud for retirement pay, but the voice was only the voice of John L. Lewis. The next year Ford workers voted against accepting a pension-wage package and chose to take a straight wage rise. A number of things, happening since, have increased the workers' apathy for what their leaders used to call "deferred wages."

Re-election of Mr. Truman in 1948 encouraged the belief that the Welfare State would always take care of its own. More recently the subtle fatalism of the Atomic Age has bred a tomorrow-we-die outlook toward the future. The steady rise of living



In 1946 the coal miners were said to be crying for retirement pay



... but next year auto workers voted against a pension-wage package

costs has made take-home pay plus the more immediate fringe benefits—medical care, paid vacations and the like—seem more urgent than old-age security. Government labor experts, with particular reference to the 100-day Chrysler strike in 1950, say that never again will workers follow their leaders in a walkout over pensions.

Self-interest, in brief, explains labor's cooling-off toward the idea of pensions. It also explains management's newly demonstrated ardor.

Management's feeling, however, is much too complex and important a matter to be kissed off in any summary fashion. True, the hot and current arguments in favor of pension planning are taxwise and marketwise. With a new surtax on the books, business men want to take advantage of the Internal Revenue Code under which pensions are deductible from income tax. Also, in a period of manpower shrinkage, executives look upon pensions as a way to hold onto their work force.

But, quite aside from these temporal inducements, management has a long history of self-interest in pensions. The business world inaugurated old-age retirement plans late last century when union pressure, tax deductions and labor shortages were negligible or nonexistent factors. Even today, most of the 14,820 known pension plans are under non-union agreements, though the majority of persons covered come under collective bargaining.

Researchers at the Social Security Administration, where an intensive survey is being conducted, say that practically every existing plan was originated by private enterprise and later adopted by the union chiefs as their own. Nobody is quite sure how many private plans went bankrupt during the

depression. But at least 110 plans, covering 1,500,000 employees, were on record in 1930.

Still, it was the New Deal era which set off the modern pension boom. The Wagner Labor Act, the Social Security Act and World War II, in that chronological order, gave impetus to the growth. But it takes a closer look at Treasury Department figures to understand what really happened.

In the period of 1940-41, when wartime taxation was not a factor, an average of 40 plans a month was being approved by the Bureau of Internal Revenue. This average jumped to 216 a month in the full war years of 1942-44, and fell off to 66 per month in 1945-46 as the conflict and the excess profits tax came to an end.


Union pressure lifted the average to 90 per month during 1947-50. Then, as union pressure began to lessen in late 1950, the number of monthly plans dropped down. There are no official figures to measure the dip as it continued into 1951, but it is not expected to be startling—mainly because management is supplying the new pressure to cushion the fall.

What does this camel-hump chart seem to signify? One meaning appears to be that the pension cycle has run its course. In the beginning, it was management which instigated and carried out the planning of retirement income systems, setting a slow but steady pace. Then came a series of artificially stimulated spurts. Now the pace, while slowing down again, is being steadied by the willingness of management to take the initiative.

This interpretation seems well borne out by current developments. Business men in general realize that the pre-1930 reasons for pensioning are more



Self-interest explains labor's cooling-off toward pensions



... it also explains management's newly demonstrated ardor



Practically every existing plan was originated by private enterprise



... and later adopted by union chiefs as their own

valid than ever in our present era of an aging population, monetary inflation, payroll buccaneering and a threatened man power shortage. A good retirement system is the only multipurpose method to remove overage drones, retain productive workers, make way for up-and-comers, set an example in thrift and bid for the abiding loyalty of the work force. In fact, these purposes are so conspicuous and compelling that a nationally known actuary who was interviewed for this piece could say:

"We actuaries no longer have to 'sell' the pension idea to business men. It's not a case of whether some given firm should set up a retirement plan. It's a case of when and how."

Even the when-and-how question is subject to further breakdown. The best time, according to accepted authorities, is always—now. The labor force of any company grows older with each individual birthday, and pension costs are geared to the age-groupings. Moreover, every business concern today is living in a "climate" of public and private pensioning, and is always under the influence of that environment.

It is one thing to say that workers will no longer go on strike to get a pension; another thing to say that they will not accept one which is intelligently presented. There are already some 9,000,000 employees under private pension plans in the United States today. This figure breaks down to mean that about one out of every five workers in private industry is pension-protected. It creates an atmosphere of receptivity which, although passive, cannot be ignored by wide-awake management.

Another do-it-now argument for management lurks in the smoke-filled rooms where union poli-

ticos hatch their bargaining schemes. Even at a time when labor chiefs are not pushing pensions, they are poker playing with pensions. Under court-sustained rulings by the National Labor Relations Board neither side can refuse to discuss pensions in contract dickering. Plainly, this is an hour in labor-management history when it behooves business men who are even vaguely considering a pension plan, to get there "fustest" with the sort of plan their firms can best afford to provide.

This brings up the jack-pot question of how to install a feasible system. First off, it can't be too often stressed that no two companies are alike and no two plans should be identical. Not long ago a frantic lawyer telephoned a pension expert in the Labor Department to exclaim:

"One of my clients, who owns a small company, has just established a pension plan by taking the General Motors plan, striking out the name and inserting his own. I'm afraid my client's in trouble."

He's in bad trouble! Any business man who signs a pension agreement without knowing what it means in terms of five, ten, even 30 years hence probably needs a psychiatrist as much as he needs a lawyer.

As a preliminary precaution, every pension-planning company should divorce itself from the notion that it has either full freedom of action or a restrictive lack of the same. The newcomer in pensions can best be likened to a home builder who moves into the crowded city of Pensionia which is already bulging outward into a growth of suburbs. His problems, that is to say, do not involve either the opportunities or the perils of a pioneer. He will have to

(Continued on page 60)

It is one thing to say workers will no longer strike for pensions



... another thing to say they will not accept one intelligently presented



THE STORE THAT ACTS



Noontime fashion shows such as this at a steel plant proved an early success

LIKE EVERY other American city, Allentown, Pa., in recent years has been surrounded by thousands of new homes; and in almost every house, when its owners moved in, this happened:

The woman hardly had got her furniture arranged when she had a friendly visitor. He brought a box of candy as a house gift—a box whose cover bore a map of the countryside, showing how every road led directly to the store he represented.

"I'm here with a twofold mission," he explained. "First I want to welcome you and tell you a few fundamental things about the Hess Brothers Department Store. We know how much work it is to get a house in order, and we're ready to deliver immediately anything you might need. Just phone. Or better, come in to see us." By driving a few miles into Allentown, he pointed out, she could find as broad a selection of merchandise as she'd see in New York, 90 miles away, or in

Philadelphia, 60 miles off—without encountering any big-city traffic.

But the second half of his mission was the really important one: He invited the woman to be the luncheon guest of the Hess store.

Within a couple of days she was further surprised to receive a reminder of the luncheon invitation from Max Hess himself—the president of the store. Hess set a specific get-together date (provided this was convenient to her) with the assurance that he looked forward to the personal pleasure of entertaining her. Since Hess himself can't make it in every case, similar letters are sometimes signed by other top store executives.

Hess records indicate that most

women accept the invitations. It's so unusual and friendly a gesture. The luncheon in the store's gay Patio restaurant is leisurely.

When the meal is finished, Hess or one of his vice presidents takes the guest on a tour. And by the time her visit ends, she's almost on first name terms with her top-level escort.

No attempt has been made to sell her anything. This has been a neighborly visit. She cannot, however, escape the flattering sense of her own importance. And eight out of ten show it by voluntarily opening charge accounts before they leave.

Hess says simply, "We have found the lunch visit a pleasant,

EVERY merchant believes in personal service, but few have carried that retailing virtue to the lengths of Hess Brothers of Allentown, Pa.

AS NEIGHBOR

By OSCAR SCHISGALL
and RAY JOSEPHS

effective and lasting way of making friends."

We asked him: "Does any other department store use this luncheon tour invitation idea?"

"I haven't heard of it," he answered. "But I don't see why they shouldn't. It seems like such a simple, obvious and friendly thing to do. . . ."

He had hit on the precise three words that have made the store into one of the most successful small-town businesses in America—with a volume regarded as the highest per capita of any U. S. department store area—almost \$15,000,000 annually in a town of 100,000.

Only 39, Hess is soft-spoken, almost diffident. He has built up the business he inherited at 21 by trying new ideas. The ideas aren't necessarily earth shaking. But they work—and each month for the past 18 years they've given the store the unusual record of doing more business than in the same month of the preceding year.

For example, it has long been the store's practice to give a monthly party for the "co-workers." These are evening affairs generally held in the cafeteria. They include a supper, a dance, entertainment brought in from New York or Philadelphia, and a number of door-prizes. One day, as he watched the gaiety, Max Hess got an idea.

A couple of weeks before the next co-workers' affair, letters went out to 50 charge account customers. What they said in effect was this:

"We are proud of our store but we know it wasn't built solely by its owners and its co-workers. The real building was done by you, our customers, who have so faithfully supported us through the 53 years of our existence. You are as much a part of the store as we are. You are one of the family, and we want you to join with us in our family party on such and such a date."

Most people seem delighted with the unusual invitation. Hess says at least 40 show up at each party. They are placed at choice tables and treated as honored guests. They receive such gifts as compacts or lighters. "Folks always seem to be having such a fine time that I don't allow even a sugges-



ROMER FROM BLACK STAR
Max Hess, the store's president, entertains a guest. Then she is escorted on a tour

tion of business to encroach on the evening."

For the insignificant cost of a dinner and a small gift, this particular idea has substantially increased sales. And it goes on working its magic on 40 or 50 guests every month. . . .

One evening in Allentown we invited Hess to our hotel room. In privacy we hoped to get him to talk about the other "simple and obvious" ways he had followed to build his small-town business to big-time caliber.

"Be glad to come, of course," Hess told us over the phone. "But don't credit me with originating all the things we've tried. Most ideas come from my staff. Why don't you let me bring some of the boys and girls along? We'll have a bull session. I think you'll enjoy it."

So he brought his boys and girls. Of the 15 top executives in the Hess store, ten are under 40. Every



single one of them has come up through the ranks. Executives are never hired from outside.

"No ulcers and annual firing waves here," Hess said. "Every good man and woman who comes to the store knows it can be a lifetime career."

We sat around for hours and heard the history of all kinds of business-building ideas. Many had failed. "The point is," Max Hess said, "we're never afraid to try anything."

Back in March, 1949, Max himself approached a woman in the silverware department and began explaining patterns.

"I've studied all those patterns so often and so well I know them by heart," the woman confessed. "My problem isn't making up my mind—it's just that our savings account for sterling isn't enough. And I guess we'll be too old by the time we can afford good silver."

When she was gone Hess called his buyer and began asking questions. "Suppose silver were available on the lease plan?"—the word

ing response. Then the Hess staff began thinking. If it worked in Allentown, why not tackle bigger markets? To the surprise of the nation's retailers Hess plunged in with a full-page ad in the New York Times.

"To tell you the truth," he confessed, "it gave us a peculiar feeling to march into Manhattan—we, the small-town boys—trying to take business away from Macy and Gimbel. But that single \$5,400 advertisement brought the Hess store more than \$60,000 worth of business—from all over the U.S." Hess has since extended the plan to china, and gone into Pittsburgh, Philadelphia and other cities. Business has been beyond his fondest hopes and several other stores have followed suit. Hess doesn't mind.

"Ideas can't be copyrighted," he says. "Anyone is welcome to all our methods. It's the way you handle ideas which counts." (Today Hess has one of the largest silver volumes of any U.S. department store, with 151 patterns in open stock, more, it is believed, than any other

veloped an embossed gift card which said with good-humored friendliness: "We decided *not* to wait 25 long years to celebrate your silver wedding anniversary."

Offered to customers, it had a fine response. The warmhearted appeal has given a pleasant boost to silverware gift sales. And now Hess is toying with the idea of changing all anniversary dates around.

Another "simple idea" which originated in a casual way—and brought unexpected results—arose from a luncheon conversation with a fellow chamber of commerce member.

"Got another flock of bills from you fellows for my wife's dresses today," the man told Hess. "Wish I knew what this fashion stuff is all about. It costs me plenty!"

Less than three weeks later a caravan of Hess trucks drove into the bustling plant of the Lehigh Structural Steel Company. Lunch-hour whistles were still blowing when a crew set up a platform and a runway. As some 3,000 workers streamed out, they stopped in astonishment. There were half a dozen pretty models strolling in the most attractive clothes ever seen within the portals of a steel plant.

The men swarmed around the platform.

"Hey," one yelled, "what's the idea?"

At that point Hess himself stepped out on the platform and introduced himself: "If you want to know why we're here, the answer is simple. Our wives and daughters claim they dress to please us men. American men pay some \$5,000,000,000 a year for their clothes. Yet most males don't know a damn thing about quality, style, or value in the things our women drape around themselves. I know we couldn't get you men to come to a fashion show with anything less than a police warrant. So we've brought fashions to you. Stick around for the next ten to 15 minutes—and we'll try to explain what your wives are buying with your hard-earned paycheck."

They stuck around all right. Hess explained fabrics, cut, details of quality "so you fellows will know what you're talking about when Mrs. says she hasn't a thing to wear."

When the caravan finally left, it was to hearty applause and cries of "Come back soon!"

In the past few months Hess has presented such alfresco noontime fashion shows to more than 25,000

(Continued on page 62)



Long-time workers are not forgotten when retirement comes

Hess prefers to "instalment." "How many people would buy silver while using it?"

"I don't know," the buyer said. "Why not try it and see?"

Ed Carroll, sales promotion manager, John Boettger, home furnishings merchandise manager, and David Williams, comptroller, began planning. Details were ironed out in ten days—and Hess telephoned the lady. Her silver was ready—at 33 cents per week per place setting and no down payment.

Hess decided to advertise the idea. First locally, with a surpris-

store in the country. Most purchasers, instead of buying the lower-priced silver, ordered the best.)

Another thing the store did about silver—and this one we personally find a delight; less because of dollars and cents than because it strikes a warm human note. "Why do we wait 25 years to celebrate a silver wedding anniversary?" the Hess people reasoned. By then most families are well supplied. It's in the first couple of years that married people most need good silverware. So Hess de-

Building Strength for the Free World

Highlights from the Annual Report of Standard Oil Company (New Jersey)
for 1950...a year of record activity*

Standard Oil Company (New Jersey) is an American corporation which has, in varying degrees, investments of capital and technical knowledge in a large number of operating oil companies, both in the United States and abroad. In 1950, these companies:

IN THE U. S. A.



Drilled over a thousand new wells, with an unusually high proportion of producers . . . Improved and expanded refineries in New Jersey, Maryland, Louisiana, and Texas . . . Completed a new continuous wax-making plant at Bayonne, N. J. . . . Added 370 miles to Texas crude oil pipeline systems . . . Started doubling the capacity of a products pipeline across Pennsylvania . . . Let contracts to increase by 85% the capacity of a pipeline from Baton Rouge to the Southeastern states . . . At government request, re-activated two government-owned Butyl rubber plants; also continued operating two others which have been producing constantly since 1943 . . . Invested over 20 million dollars in laboratory research for new and improved processes and products.

IN WESTERN EUROPE



Proposed a plan which ended gasoline rationing in England . . . Went ahead of schedule in construction of a new refinery at Fawley, England, to be the largest in Europe . . . Expanded, improved or started construction of refineries in Norway, Belgium, West Germany, France, and Italy . . . Opened many new service stations, which served not only local motorists, but some 18,000 American tourists . . . Supplied 28% more fuel oil than a year ago, to meet needs for industrial expansion . . . Met the greatest demand for asphalt for new road building ever experienced in these areas.

IN THE MIDDLE EAST



Stepped up oil production substantially in Saudi Arabia . . . Opened the vitally important Trans-Arabian Pipeline system from oil fields on the Persian Gulf to the Mediterranean . . . over 1,000 miles of 30- and 31-inch pipe . . . Started construction of a large-diameter pipeline extending 550 miles from Iraq to the Mediterranean.

IN THE FAR EAST



Expanded production of crude oil in Indonesia and explored for oil in Papua . . . Increased output of refineries in Australia, Sumatra, Japan.

IN CANADA



Produced nearly 50% more oil than a year ago . . . Made new oil and gas discoveries in Ontario and Alberta . . . Operated nine refineries at 14% greater output than a year

ago . . . Opened a new 1,100-mile pipeline system from Alberta to Lake Superior, to carry crude oil toward the major Canadian refineries and markets.

IN SOUTH AMERICA



Set a new production record in Venezuela, second largest oil-producing country in the world . . . Operated the big Aruba refinery in the Netherlands West Indies at a higher rate than ever before . . . Met sharply increased call for products throughout the continent, to support the vigorous post-war development.

IN OCEAN TRANSPORT



Received the last 4 of 12 super-tankers ordered two years ago . . . Ordered 6 more new tankers . . . Operated an ocean-going tanker fleet of 117 vessels, totaling over 2 million deadweight tons.

IN EMPLOYEE RELATIONS



Continued the same favorable labor relationships that have prevailed for more than three decades, with no strikes in domestic operations.

THE YEAR ENDED . . . THE JOB GOES ON. In 1950, for the first time, world use of oil outside the Iron Curtain passed 10 million barrels a day. For comparison, it was just over 7 million in 1945, the peak war year.

This is significant to free people everywhere. Oil supplies in today's world are closely linked to living standards and national strength.

It seems clear that more and more the world will look to oil to help keep it free and progressive. More and more it becomes clear, in meeting that need, that the American-developed business process of risk and result . . . of competition spurring corporate ingenuity and responsibility . . . is a strong and flexible system for promoting the welfare of people.

* We will be pleased to send a copy of the full report to anyone wishing it. Write Room 1626, 30 Rockefeller Plaza, New York 20, N. Y.

FINANCIAL SUMMARY

Standard Oil Company (New Jersey) and Consolidated Affiliates:

Total income from sales, services, dividends and interest . . . \$3,198,266,000	Taxes collected for governments . . . \$294,749,000
Net income . . . \$408,223,000 or \$13.48 per share	Wages and other employment costs . . . \$548,205,000
Dividends . . . \$151,028,000 or \$5.00 per share	Spent for new plants and facilities . . . \$295,132,000
Taxes paid . . . \$276,000,000	Number of stockholder-owners . . . 222,000
	Number of employees . . . 116,000

STANDARD OIL COMPANY (NEW JERSEY)

AND AFFILIATED COMPANIES



CITIZENS are supposed to have an equal voice in government, but their votes are unequal as districts are cut up. The original gerrymander seen on left is a good example of the weird carving that long has prevailed

The Beast with 435 Lives

By ERNEST HAVEMANN

A FEW months ago President Truman sent a special message to Congress asking it to do something about the gerrymander. Yet in the entire message, which ran for 13 long paragraphs, he did not use the word gerrymander a single time. This was in keeping with a good old American tradition. The United States has suffered from the gerrymander ever since Colonial days; the term was coined as far back as 1812, yet not even Webster's dictionary listed the word until Civil War days.

It took a half century for gerrymander to get into the dictionary; the word still is seldom seen or heard. Yet the gerrymander—the "g" is hard as in gimme in the preferred pronunciation—is one of our biggest facts of political life. The chances are that you are being gerrymandered right now, and that despite President Truman's message you will be gerrymandered the rest of your life.

Webster's dictionary, having belatedly recognized the word, now defines gerrymander as "to divide (a state, county, etc.) into election districts . . . in an unnatural and unfair way with a view to give a

political party an advantage over its opponent, or for some other improper purpose."

What Webster's doesn't say is that most politicians love that strange animal the gerrymander more than most people love their dogs, and would no sooner give it up than lose their right arms.

It has been that way since the beginning of time. Even the ancient Greeks used a trick method of cutting down the voting power of the outlying farmers to the benefit of the city politicians.

The United States, not having been founded until 1789, got into the game rather late—but it took Americans, with their great facility at phrase coining, to give the ancient art its present colorful name. This happened when the Massachusetts legislature divided the state into districts for the 1812 election of state senators.

In those days the two big parties were the Republicans, who by an oddity of nomenclature were the predecessors of today's Democrats, and the Federalists. It so happened that the Republicans controlled the Massachusetts legislature—and it also happened that the legis-

lature cut up the state in a very pro-Republican manner indeed.

The idea, to put it baldly, was to make as many election districts as possible in which tried and true Republicans were in the majority. The legislature also wanted as few Federalist districts as possible—so it tried to lump the Federalist strongholds together, where they would do the least harm.

Among the peculiar looking districts that resulted was one in particular that rambled all over the map, zigging, zagging, narrowing, widening and reaching out tiny little tentacles to include practically every Federalist family for miles around.

Some bright political cartoonist—the experts disagree about his name and at this late date it hardly matters anyway—noticed that the district bore a considerable resemblance to a lean and long-tailed form of animal life. He took a map of the district, added claws, wings, an eye and tongue and said, "It's a salamander!" A bystander, who knew that the political deal enjoyed the blessings of Republican Gov. Elbridge Gerry, had a sudden inspiration and cried, "That's no

Cross-Section of Over 5,000,000 Horsepower...

This cross-section of an Opposed-Piston diesel engine tells why, in a few short years, over 5,000,000 hp. of engines of this design have been placed in service—for low-cost public power generation, for propelling surface and undersea craft, and as prime movers of the railroad world's newest and finest diesel locomotives.

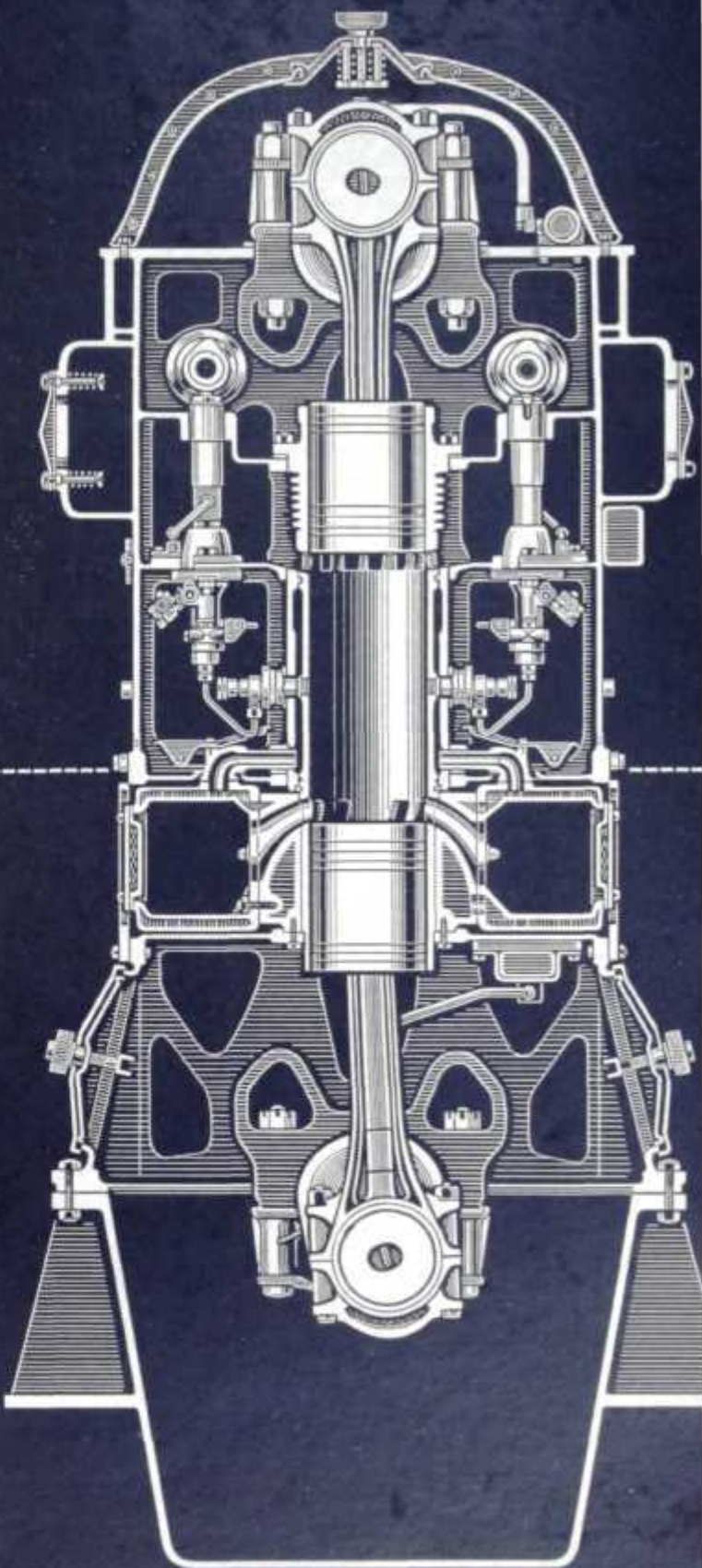
Note the design that underlies the immediate and continued success of this great engine: with TWO pistons in each cylinder—driven apart by a central combustion—the Opposed-Piston engine delivers more power per cylinder, more power per foot of floor space, more power per gallon of fuel. All this, plus the advantages of less weight, less vibration, 40% fewer moving parts. Fairbanks, Morse & Co., Chicago 5, Ill.



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**POWERED by Fairbanks-Morse Opposed-Piston
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Surface and Undersea Craft



Stationary Power Plants



Diesel Locomotives

salamander, it's a gerrymander!"

The first gerrymander worked fine. The Republicans in Massachusetts got 51,000 votes, the Federalists, 50,000. This was practically a tie and under any kind of fair arrangement the Republicans would have had a bare majority in the state senate. As it was they managed to get 29 senators while the poor gerrymandered Federalists had to be content with a mere 11.

Elbridge Gerry, possibly for his contribution to political science, became the nation's vice president in 1813 and served until his death the following year. His wife was a good friend of dictionary maker Webster's daughter—which may account for the long period in which the dictionary withheld recognition of the word that has made him immortal.

It can be reported that Massachusetts is still doing pretty well at the art whose name it contributed. Among the districts which have been set up by the state legislature

for sending congressmen to Washington there is one which is about 25 miles long and hardly two miles wide at its narrowest point, giving it roughly the shape of a long skinny snake. There is another spot where a man can leave his own congressional district, travel for 15 miles due east through a different district, and then find he is right back home in his own bailiwick!

In fact, from time to time the politicians have drawn designs on the map that are even more fantastic than anything Elbridge Gerry ever dreamed of. Mississippi once had a district called the "shoestring," running along the Mississippi River the complete length of the state. Some 300 miles long and only 40 miles wide, it was created to concentrate the greatest possible number of Negroes in the same voting area.

Pennsylvania once had a district that looked like a dumbbell. Illinois had one that looked like a saddlebag. New Jersey still has a congressional district that looks like a

capital E with the middle bar knocked out, and Pennsylvania has one that looks like a short-handled hammer.

The purpose of these strange shapes, of course, is the same as it was in 1812. If the Democrats were in power in your state capital when the last redistricting bill was passed, you can be virtually sure that they tried to make every Democratic vote count double, and every Republican vote count as little as possible.

If the Republicans were in power, they almost surely tried to work out the opposite kind of plan. The gerrymander is an animal which has been domesticated and used by both parties, whenever the opportunity presented itself.

One fine example is the state of Pennsylvania, which has been carved up so many times in so many different ways that even the most alert voter could hardly be expected to know the number of his congressional district. In the 1920's when the Republicans ran the state, they were able, in one typical election, to send 35 congressmen to Washington while limiting the Democrats to just one.

In the 1930's the balance of power shifted and the Democrats were in charge. It is not surprising, therefore, that the Democrats in 1936, while polling less than six votes out of every ten cast in the state, elected 27 congressmen and held the Republicans to seven.

By 1943, when the state was again redistricted, the Republicans were back in the driver's seat. Among other things they tucked three strongly Democratic suburbs onto an already safely Democratic district in Pittsburgh. They also merged two safely Democratic areas in Philadelphia. The Democrats kicked to high heaven but Republican Gov. Edward Martin, who is now a senator from Pennsylvania, was quoted in the papers as saying blandly, "It's the good old American way. When we Republicans were in the minority, we bellyached when they ran over us."

Sometimes when a state is being redistricted the legislature is controlled by one party while the governor belongs to the opposition party—and then the jockeying for advantage is something to see. One famous case happened in Missouri in 1931, when the legislature was Democratic and the governor was a Republican.

The legislature drew up a map which favored—or, to put it more directly, practically guaranteed—the election of a lot of Democratic congressmen. In high dudgeon the



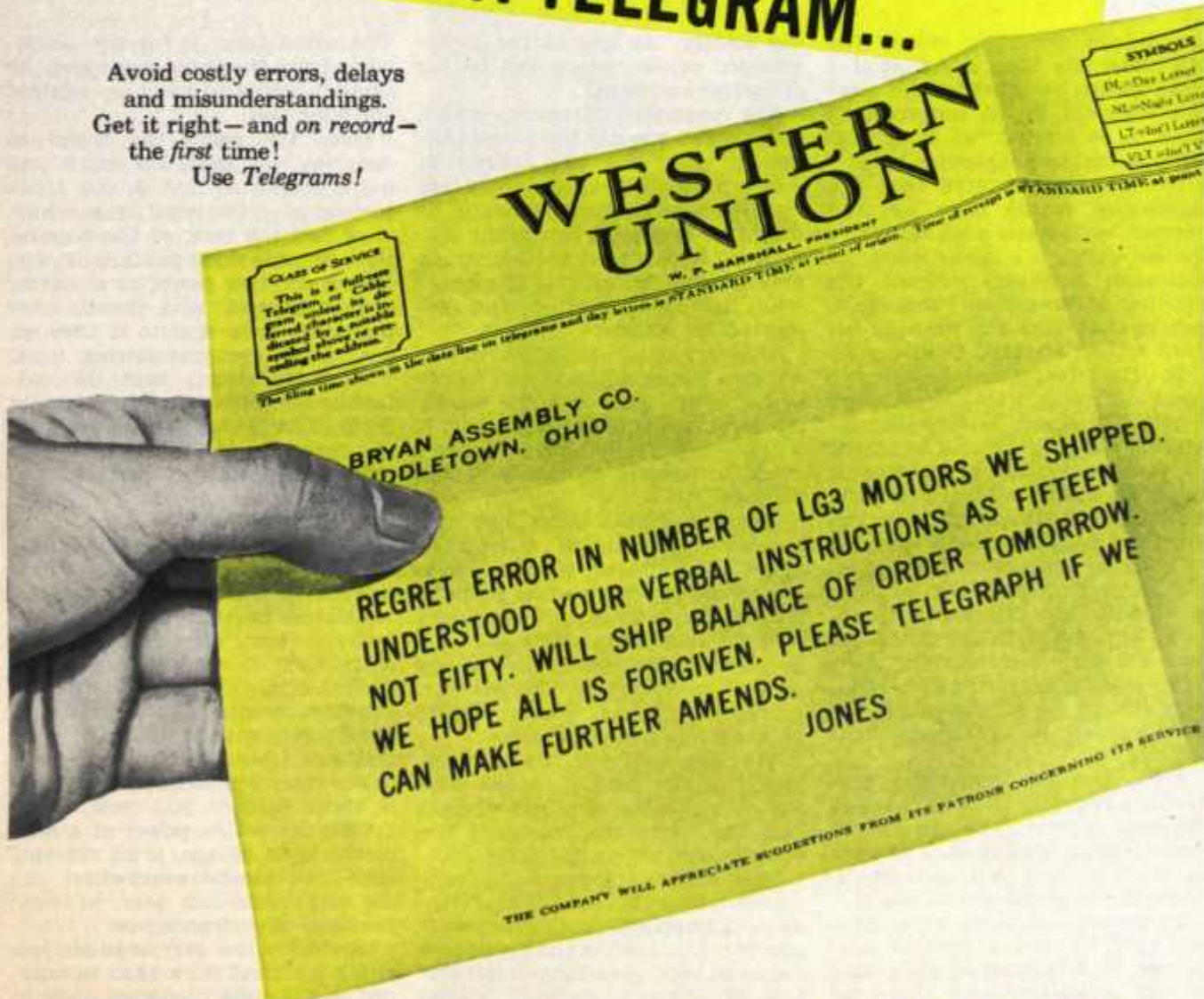
Most politicians love that strange animal called the gerrymander more than most people love their dogs

You mean what you say
when you talk...

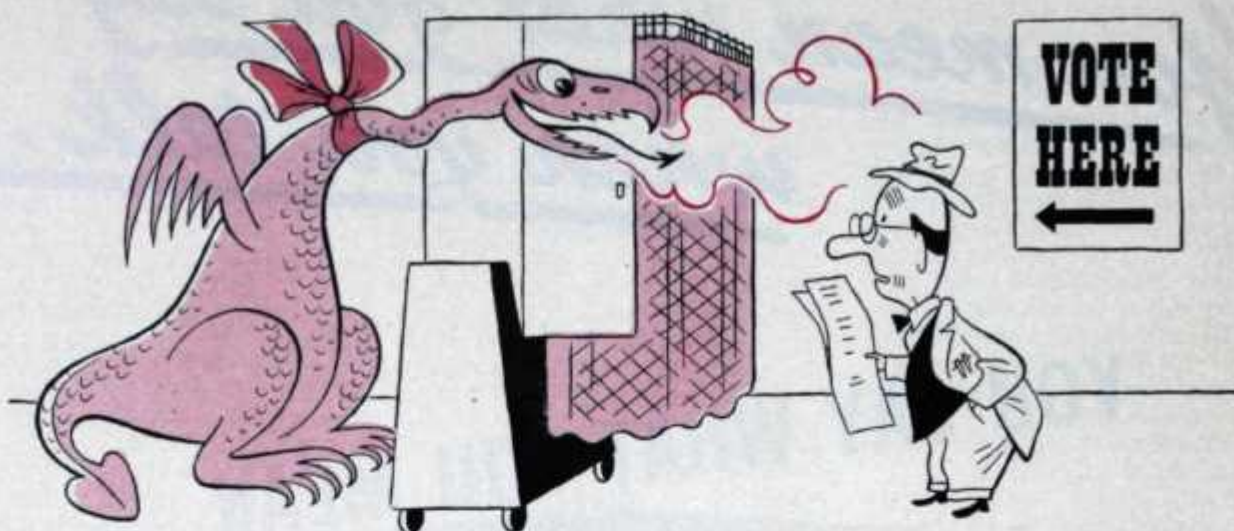
YOU SAY WHAT YOU MEAN

IN A TELEGRAM...

Avoid costly errors, delays
and misunderstandings.
Get it right—and on record—
the first time!
Use Telegrams!



Relax tension—Insure orderly conduct of business



As long as the gerrymander exists, voters will be far from free and equal

Republican governor vetoed the bill. Now the laws say that if a state makes no provision for election districts, all its congressmen have to be elected "at large"—in other words, by a statewide vote.

The governor figured that the legislature, rather than see that happen, would pass a bill that gave the Republicans a fairer share. He reckoned, however, without the cunning of Boss Tom Pendergast, who at that time was running the show among Missouri Democrats.

To the Republican governor's great surprise, the legislature simply adjourned, leaving the districting bill go hang, and let all the congressional posts be decided at large. In a statewide election surrounded by so much confusion, nobody had much chance of winning without the support of Pendergast, who controlled thousands of votes in Kansas City. To get that support, the candidates had to agree to help the boss' men win the state jobs—and the result was a landslide victory for all the people the boss wanted to see made state officials.

After the election there was hardly a Republican to be found in the state capital. The new Democratic legislature got back to work on a districting bill, gerrymandered the Republicans to death.

To the politicians the gerrymander may be just a routine maneuver, to be abhorred when used by the opposition and embraced whenever your own party has the chance—but to the citizen who casts a ballot it is hardly a laugh-

ing matter. As long as the gerrymander exists, voters will be far from free and equal.

For example, Missouri, which still operates under the gerrymander of 1933, has one district in which roughly 214,000 people are entitled to elect a congressman. As might be expected, this is the district of Rep. Clarence Cannon, a veteran and influential Democrat who has been elected and re-elected for 28 years.

Missouri has another district in which a single congressman represents more than 500,000 voters. Again as might be expected, this is a normally Republican district made up mostly of the St. Louis suburbs.

Another state, Ohio, has the largest congressional district in the United States, with a single congressman representing perhaps 900,000 people in part of Cleveland and the city suburbs. It also has the second smallest district in the nation, in which a congressman represents fewer than 175,000 people living in a rural area.

The Ohio example, the most extreme in the nation, means that the voter in the smallest district has five times the power of the voter in the largest district.

Besides the gerrymander on congressional seats, to which President Truman referred in his message, there is another and even more common type prevalent in our nation. This has to do with politics inside the individual states and involves, as did the first gerrymander, the election of state legislators.

The usual form is for the politicians from the rural areas and the smaller towns to gang up against the big cities.

Over the years the trend in America has been for more and more people to live in the cities instead of in the rural areas which once had the bulk of the population. But the rural politicians, who once held their power as a matter of fairness and right, usually have managed to hold onto it through use of the gerrymandering trick. They have simply kept the old-fashioned districts for electing legislators, ignoring the growth of the cities.

In perhaps half of our states, and possibly even more, the cities have less than 50 per cent as much representation in the state legislature as their populations would merit. In Rhode Island, where legislators are still chosen by the archaic "town" system, a village with 1,000 inhabitants gets one state senator while the big city of Providence with its population of 250,000 gets only five!

Rhode Island, where the Providence voter who casts his ballot for a state senator has just about 1/50th the voting power of a man in the little village, is an extreme case—but almost everywhere the big city voter has been at least partially disenfranchised.

Obviously the gerrymander is a cheap political trick akin to butting and heeling in the clinches in a prizefight or twisting an opponent's knee in a football pileup. Unquestionably it is a travesty on our

system of government, which is supposed to guarantee every citizen an equal voice. Yet the only way it could be ended would be by the politicians who now gain an advantage from it. Human nature being what it is, the gerrymander seems here to stay.

If anything is to be done about the widespread gerrymandering of congressional districts, this year and 1952 are the logical times. After every federal census the congressional seats granted each state are changed in accordance with the shift and growth of population. On the basis of the 1950 census figures recently announced, seven states will gain seats, these being California, Florida, Maryland, Michigan, Texas, Virginia and Washington. Nine other states will lose seats, these being Pennsylvania, New York, Missouri, Oklahoma, Arkansas, Illinois, Kentucky, Mississippi and Tennessee.

All these states, unless they want to play with the device of electing congressmen at large, will have to pass redistricting laws.

What President Truman proposed was a federal law which would stop the practice. He would like to have Congress set up standards which would require every congressional district to have no fewer than 300,000 voters, and no more than 400,000. He would also like to see a requirement that the districts be composed of "contiguous and compact territory," which would put an end to the salamanders, the shoestrings, the dumbbells and the snakes.

Maybe Congress will pass such a law. On the other hand, a lot of politicians in Washington are going to wonder whether the President's proposal—which seems reasonable enough on the surface—could have anything to do with the fact that it would give the big cities, which have been mostly Democratic in recent history, a greater voice in Congress.

Many other congressmen, now elected from districts that look funny on a map but are small, safe and comfortable to the people who own them, are bound to wonder what would happen to their jobs.

As for the gerrymanders within a state, on which the President and the Congress have no power to act, the issue is even clearer cut. What we have now in most states is a legislature elected on a completely unfair basis. Only this legislature can make the elections any fairer.

The trouble with killing that hardy animal the gerrymander is that so few politicians are willing to vote themselves into retirement.

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Primer for Plant Protection

By WILL OURSLER

AMERICAN industrialists—seeking workable security measures against possible Red saboteurs within the walls—are examining a new program flexible enough to be adapted to the needs and limitations of any individual plant.

The primary step in setting the program in motion is a survey of danger points in a plant's operations. These should include every phase of activity affecting security. The survey should be made by an executive capable of spotting the danger points. Every executive should ask himself the grim question: If I were a saboteur, how best could I cripple this plant or damage its product?

The program was evolved by the Socony-Vacuum Oil Company and

is known as a "blueprint against sabotage."

Heads of departments conducted the survey. The boss of industrial relations reported on screening and identification. Plant protection was taken on by the head of claims and safety. The controller delved into preservation of company records.

When these reports and recommendations were in, company directors took a second step—appointment of a single coordinator to correlate the reports into one over-all security blueprint. Need for a full-time coordinator will de-

pend on the size of the plant and the "sensitivity" of its product. A small firm may have to assign the coordinator's duties to some already overburdened executive.

But whether full-time or part-time—one responsible official should be named to head up the security show.

Modern sabotage accomplishes most by "delayed action" tactics—the faulty wire that makes a radar unit break down, the loose screw that conks out an airplane engine months later. The manufacturer of the seemingly trivial small part must be particularly on guard against the Red weapon of technological sabotage.

Core of the Socony blueprint against this threat are three basic "spheres of protection": personnel, plant facilities, and the continuity of company operations, including safeguarding of vital documents.

First and most critical of these spheres is that of personnel. While the majority of workers are loyal, industry is faced with the stark fact that at least 500,000 individuals within our borders—according to the latest FBI estimates—are Reds or fellow travelers.

The first step in weeding out these secret operatives is the use of questionnaires and interviews, which must serve as a preliminary security check for each applicant.

Checkup should be made to insure that questions asked fully explore the loyalty issue. In addition to standard questions regarding education, employment record and experience, the following—for security reasons—should be required:

All past residential addresses.

Record of arrests and convictions, if any.

Military status and prior military record.

Organizations to which applicant belongs or belonged which are on the Attorney General's "subversive" list, if any.

Smaller firms cannot be expected to develop overnight the elaborate personnel checks and investigating techniques employed by large companies, but two main points should be borne in mind by management: Check carefully the applicant's



Check list against Red sabotage

TRY THESE questions on your plant. The answers will indicate where plant security can be tightened:

1. Has one person been given responsibility for security?
2. Are the statements of job applicants checked?
3. Are your workers fingerprinted?
4. Are identity cards or badges issued?
5. Are sensitive areas restricted?
6. Are visitors supervised?
7. Do guards or supervisors check truck deliveries?
8. Is production spot-checked at frequent but irregular intervals?
9. Are vital documents protected?
10. Have you enlisted worker cooperation for security?

statements, by phone, mail and personal contact with references, former employees, union superiors. Carry the check far enough to establish reasonable certainty that the applicant's answers are truthful.

If the least doubt is raised, the applicant must not be hired until a further check can be made. Seriously "suspicious" cases—or those involving deliberate falsehoods—should be reported to the FBI.

Other agencies that may provide screening and directives on "sensitive" operations include Army, Navy, Air Force or Coast Guard intelligence, as well as Munitions Board investigators.

National and local unions often can provide valuable background information by which the prospective saboteur can be weeded out. Most unions will cooperate in this respect.

Red-dominated unions may refuse. Active interference by members of such unions with antisabotage plans should bring immediate investigation.

If the facts warrant, those responsible should be discharged. Any overt violence should be reported to the FBI.

All workers at Socony must be fingerprinted. This provides an identification check in case of disaster and a vital aid in event of sabotage.

The fingerprint file can be a valuable protection for any firm engaged in defense production. The taking of prints is an easily learned operation, and equipment can be purchased reasonably from a number of national concerns supplying police departments.

Identity cards and badges are also of basic importance. At Socony, on "signing in" at the gate, workers surrender identity cards and receive badges with their photos. Badges vary in color, usually restricting workers to specific areas.

Identity cards are returned at quitting time when badges are handed back.

Smaller plants may find it advisable to set up simplified techniques. A badge of one color may serve all workers where operations are confined to a compact area. Identity badges may not be needed—if the plant is so small that guards can personally know all workers.

But whatever simplifications are made, three items are essential:

Employees should sign in and out—to provide a written record of the workers on plant grounds.

Employees should wear a badge of

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some description—making it easier to spot intruders.

"Sensitive" areas should be fenced off. Workers "cleared" for admittance here should wear special badges.

No security blueprint could be effective without employee cooperation. So important is this regarded at Socony that the company has announced a system of rewards for aid in apprehending saboteurs.

Smaller plants can follow this reward technique on a scale commensurate with their economic situation. Even a few hundred dollars can be a valuable incentive to workers to stay alert.

In the field of plant protection, top role goes to the guards.

Many smaller firms may find it advisable to turn to established agencies equipped to handle the problem for a flat fee, surveying a plant's needs and providing the trained men to take over the job.

A company establishing its own guard units should seek the advice and guidance of local enforcement agencies.

Such agencies frequently know of reliable and experienced men available for this work.

Guards at Socony plants have full responsibility for control of visitors. The visitor receives a badge, is escorted to the proper department—and escorted back when the interview is ended.

Smaller plants again may have to simplify. The boss' secretary or the office boy may have to serve as the visitor escort. If the plant op-

erations are so compact that visitors couldn't stray "off bounds," the escort service might be superfluous.

But checking of all visitors—and making certain that they can't stray into sensitive areas—is vital. In this regard, a number of plants already have suspended "open house" days and all plant tours for outsiders.

Truck deliveries also must be strictly regulated. Guards should have lists of regular carriers coming in and out. All vehicles except those regular carriers should be identified before admittance.

Spot checks should be made regularly on outside fences, area separation fences, locks and gates. Needed repairs should be made immediately. Watchmen should report at once any signs of tampering.

Newcomers in defense production can obtain advice on outside protective measures from any of the large companies dealing in factory fences. They should also check with manufacturers on such things as alarm systems and locks.

Checkup should be made of all plant procedures to eliminate weak spots where a saboteur might strike.

Foremen should inspect all idle machines, particularly in a smaller shop where the unused pieces of equipment may be the ideal spot for an explosive charge or other destructive device.

Emergency equipment should be checked regularly and drills staged

to familiarize workers with this gear. One man in each department should be responsible for summoning outside help if required.

Most important is the protection of the product. Here the inspector plays a key role.

Spot inspections of production should be made on a frequent but irregular basis. The saboteur should never be able to know that every third tire—or tenth bolt—is the one inspected.

Final sphere of protection is that of company operations. This involves continuity of management and preservation of vital documents.

A system of temporary replacements has been set up at Socony—a "second team" of trained men to take over in event top officials are knocked out. Any firm in defense production should set up a similar "replacement program" to insure, if at all possible, continuity of production.

To protect vital documents, Socony has installed a system of duplicate, triplicate and quadruplicate copies, depending on the document's importance. Some are microfilmed to save space. Copies are stored in widely separated localities—as protection against destruction of originals.

Smaller defense plants should follow roughly the same procedure. Ultimate security of a plant will depend on how selflessly workers and management cooperate to make the broad provisions of the plan effective.

Deck of Dallas

(Continued from page 39)

normal, and some 20 years later the boy became an Army officer.

As we have already suggested, Hulcy's story at Lone Star reads like an Army man's well merited progress from private to four-star general. He was chief of his accounting department section by 1923. He was the company's assistant comptroller by 1927. In 1929 he was assistant to Lone Star's president, the late L. B. Denning. In 1935 he was elected to the board of directors and made a vice president.

In 1936 he really assumed command of the company as executive vice president. And he held that job until he was made president in 1940.

When Hulcy was named president of the Dallas Chamber of

Commerce in 1947, the first thing he did was go over to the Chamber building and shake hands with every one of the 100-odd employees, from janitors to department heads. He also committed to memory their faces and their jobs and at least an approximation of their names. The powerful Hulcy memory isn't so good when it comes to names of people.

For instance, when Deck was introducing W. Stuart Symington, then Secretary of the Air Force, at a dinner, Hulcy said:

"And now we'll hear from Mr. SIMPington. . . ."

Symington got quick revenge, saying:

"Thank you, Durwood Halsey!"

Hulcy was the speech-makingest president the Dallas Chamber of Commerce has ever had. He placed himself on call and literally made hundreds of talks. If a speaker was wanted, for instance, at a chamber of commerce dinner at Plano,

Texas, where the farmers still swap mules on the town square, Deck would be there.

Export of natural gas is a touchy subject in Texas. Deck Hulcy has worked hard for conservation laws. Lone Star exports no gas to the East. It is Hulcy's pride that 40 per cent of the gas serviced by Lone Star is casing-head gas, a residue of oil production. Casing-head gas has long been flared and wasted. So 40 per cent of the gas Lone Star sells would be wasted on the air if the company weren't making use of it.

When the jobless Hulcy moved to Dallas in 1920, with his wife and three kids, he settled in Oak Cliff, a big suburb separated from the rest of Dallas by the Trinity River. He is still a loyal Oak Cliffian. Soon after he moved to Dallas, Deck became chairman of the board of stewards of the Brooklyn Avenue Methodist Church. In recent years he has transferred his membership

to a church closer to his home, the Kessler Park Methodist.

Hulcy's sons, Louis and Deck, Jr., are graduates of the natural gas engineers course at Texas College of Arts and Industries, Kingsville, Texas. And both sons are now valued engineers for Lone Star Gas.

Father Joseph Clinton Hulcy died in 1936. For a while Mother Hulcy was almost inconsolable. Deck took his mother's mind off her grief by putting her to work—designing her "dream house" in Palestine, Texas, where the vigorous lady now lives.

Mother Hulcy's greatest pleasure now is in the family reunions at Deck's big stock farm near Palestine.

It is Deck's greatest pleasure, too. For on the farm every Fourth of July he has his "most important committee meeting of the year." This committee meeting is with his eight grandchildren, seven of them husky little boys.

"The Fourth of July," says Deck, "that's the day when we pull out all the stops.

"That's the one day in the year when the kids get all the soda pop, barbecue, ice cream and watermelon they can hold with no questions asked."

And in the evening, Deck and his mother and all the rest of the Hulcy tribe sit in front of the modern farmhouse in a grove of trees. The grandchildren romp around the fringes of the happy clan. Down in the valley, broad-beamed, short-legged Hereford cattle crop in the vetch.

And it is a far cry from the terrible winter of 1899 which the Hulcy family spent in a covered wagon, waiting for a foundered horse to get well.



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The Pension Turnabout

(Continued from page 45)

choose a neighborhood which suits his purse and the make-up of his family. Within that neighborhood, he will have to build a home that conforms to some extent with the neighborhood standards and tastes.

There is a certain amount of freedom here, but not total freedom. There are definite limitations on rugged individualism. One of these is the old American problem of keeping up with the Joneses without breaching the bounds of neighborhood conventionality. Fortunately for the newcomer to Pensionia, we are now in a period of relative stability where the canons of pension-providing etiquette can be rather firmly stated.

SINCE the prime purpose of pension granting is to give the worker some retirement security, the matter of money needs to be considered first. There are two approaches to this matter. Big business and big unions take the hard-cash viewpoint that a retired person needs about \$150 a month to subsist in comfort. On the theory that a retiree has some small savings of his own, the big payroll industries today use the pension base of \$100 to \$125 a month. Since the typical retiree at 65 will draw about \$72 a month from Social Security benefits, the company generally is expected to make up the difference.

The other approach, usually used by small and medium businesses, is based on the pensioner's standard

of living. Most latter-day plans in moderate-sized firms aim at giving the average beneficiary about 50 per cent of his final pay rate, including what he gets from Social Security.

There are other conventional requirements, almost as important as money. One is the age of retirement, generally 65; another is the number of years' service necessary to earn a pension, commonly 25. Both these age-figures, however, can be juggled a bit if the company's history, financial status and type of work seem to warrant juggling.

CURRENTLY more important is the question of what to do about a serviceman's pension during his absence with the armed forces. Surveys show that practically every firm allows time with the armed forces to count exactly as time on the job, thus solving the seniority problem. But when it comes to paying the cost of a military absentee's pension, there is no established convention. Big concerns, which can afford to pay some or all of their share, usually do. Smaller firms, which clearly can't afford such generosity, usually suspend payments.

But what about the pension of the nondefense worker who leaves to take a defense job? Since one reason for pension-planning is to keep employes from job-hopping, few firms will voluntarily protect either seniority or payments in such cases.

These rules of custom—keeping up with the Joneses—apply only to covering clauses of a pension plan. The manner in which a plan is financed is something else. Here it's a case of cutting the cloth to fit each individual company. There are a few firms—either very big or very small—which choose a pay-as-you-go plan, meeting their pension obligations out of operating costs. But this system, even when it pans out, requires a plethora of paper work.

Most large companies prefer to pay the money into a trust fund, leaving the administration headaches to the trustees. Medium-sized businesses find it easier to purchase a master contract from the insurance companies, another clean-cut method. Many small businesses use a profits-sharing agreement, feeding the pensions kitty out of surplus earnings, if any.

But no method of pension financing is as simple as it sounds. From the giant corporation down to the roadside shop, a pension-giving company is committing itself to solemn pledges that stretch far into the future. For that reason, the current habit of most firms is to seek the aid of actuaries rather than the company lawyer or banker. With no reflection on the latter two professions, this seems the prudent thing to do, especially when collective bargaining is in the picture.

AN ACTUARY is educated professionally to find the workability formula in any given set of pension-planning conditions. The union is more than likely to take his word if he proposes that the workers contribute their money-share to the plan. The employer can generally count on an actuary's finding a financial solution to the knotty problems—for example, how to spread the past service costs on long-time workers who are nearing the retirement age.

Self-interest can be myopic and timid, but it also can be long-range and bold. No small part of management's increasing affinity for pension-planning falls into the latter classification.

There is today, especially among small business men, a prevailing belief that private pensions are an antidote to the federal Welfare State. One anti-Fair Dealer, who is writing a book on social insurance, reasons this way:

"The whole conspiracy of creeping Socialism is to fool people into believing that they can't provide for themselves. Private pensions



are a partial answer to that. Even on the basis of \$100-\$125 a month, pensions are not too expensive for management to carry and not so big that the average wage earner doesn't have to practice some thrift. It is far better for management to provide social insurance, and to keep some measure of control, than to let the Government take over."

Another argument of the same long-range variety comes from business men who believe that the liberalized investment of pension funds could quicken the corpse of dynamic capitalism. Insurance firms and trust companies now hold about \$4,000,000,000 of pension investment funds. Most of it has gone into ultraconservative bonds, but there is a barely visible shift toward bolder investment.

Both New York and Massachusetts now permit insurance companies to invest some percentage of their holdings in common stock. Pension trustees, unless specifically exempt by terms of contract, are bound by law to observe the so-called "prudent investor's rule" in the handling of funds. But several

"Liberty has never come from the government. The history of liberty is the history of the limitations of government power, not the increase of it."

—Woodrow Wilson

recent contracts allow the trustees—or sometimes instruct them—to invest the funds in mildly speculative ventures. The pension fund for a rubber company, for example, is financing a California broadcast firm. A plastics company's pension fund is supplying the capital for an Ohio machine tool factory.

NEEDLESS to say, these are cautious experiments, not as yet a definite trend. But they do indicate future possibilities, and they are encouraged by recent events. The RFC scandals, for instance, constitute a powerful argument against federal financing and suggest the need of new horizons for private capitals.

So the cycle which has returned the pension-planning initiative to management may not be just a solitary cog. It may be a wheel-within-wheels. It could even be part of a larger movement—some of it becoming visible in national politics—to put American economy back on a basis of responsible private enterprise.

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The Store That Acts as Neighbor

(Continued from page 48)

coal miners, steel mill workers, factory hands and business men's service clubs, everywhere within shopping radius of Allentown. Have these style exhibitions been effective? Says Hess:

"Sales of dresses, suits and coats to wives of local workers have exceeded all previous records. And don't think this is just low-priced stuff. Bethlehem Steel workers, for instance, earn \$90 to \$150 a week—and there are 10,000 of them in our area. They're proud to see their wives well dressed. The simple idea of telling men some of the reasons behind feminine fashion hasn't made the boys wild about doubling wifey's dress budget—but we're gradually winning them over."

SOME Hess ideas have had unexpected, even comical results. In fact, the city of Allentown had to pass a few quick ordinances to prevent the repetition of one idea which developed complications. Hess had Santa Claus arrive on his store roof in a helicopter. According to plan, Santa was to descend to the street on a five-story ladder supplied by the Fire Department—first freeing thousands of toy balloons, 100 of them bearing gift certificates.

What sounded like a happy notion turned out to be too good. On Santa's day of arrival some 20,000 thronged the streets around the store. The police of Allentown had

never before been confronted with such a mob. Traffic was paralyzed, business disrupted. "Never again," said the commissioners, passing an ordinance which made it the first and last time Santa came to Allentown in that manner.

Every Christmas since then Hess has rented the local Fair Grounds. There, with crowds seated in the stands, Santa still comes in a helicopter. Before leaving for the Hess store, he invites everyone to line up for a neighborly treat of free frankfurters, ice cream and drinks, and for Christmas gifts. (Incidentally, Hess saw no reason to limit this kind of public enthusiasm to the Christmas season. Nowadays, the performance is repeated every Easter—with a great Easter bunny breaking out of a gigantic egg.)

"But things of this sort," Hess says, "are quick razzle-dazzle stunts. They give us a kick—but we have tried, of course, to build our business by more serious efforts."

"What," we asked, "is the single example of customer-relations which pleases your customers more than any other? Not stunts. Something that's constant and has gone into the building of confidence."

HE thought about this for a while before he answered: "In my opinion, it's our policy on returns. In some stores, you know, returning merchandise is a real headache. You're routed from clerk to

floorwalker. Floorwalker sends you to section manager, section manager to Complaints or the Adjustment Desk. Well, we cut that out long ago. Our customers can bring merchandise back to any clerk in the store. We have no questions; no waiting. Money is refunded instantly. Of course we never stop telling customers of this policy. They know that if for any reason they change their minds, refunds come in a minute. I believe that this, as much as any other part of our customer-relations, has cut sales hesitation and helped increase business year after year.

"We sometimes run into odd experiences," he continued. "Not long ago a woman brought us some yarn she'd bought 27 years ago. 'Never found a chance to knit a sweater,' she said. 'Here's the old sales-ticket, still in the bag.' The clerk, seeing the date, was startled. But she knew Hess policy. Aware of management backing, she returned the purchase price without a word. A wise policy, you ask? We maintain it is. That incident got so much word-of-mouth advertising—and even newspaper coverage—that it paid many, many times the sum we refunded."

Other "originals" that have paid good dividends are these:

1. The cosmetic department found it difficult to sell luxury items to the average Allentown shopper. After all, not every working girl can lay out \$5 for a bottle of toilet water. But the Hess staff discovered that you could sell a whole line of luxury cosmetics if you placed them in a single package. Though the package might cost \$20 it would be bought if the customer could pay for it at the rate of 50 cents a week.

2. Virtually every department store has a bridal consultant. This is a department that caters primarily to romance—providing trousseaus for brides and their attendants. Hess went a step further. Every prospective bride receives as a gift from the store, a guide book which lists items necessary to newly married couples. Many of these, of course, are household goods. By having the bridal consultant lead the customer's thoughts into the realm of basic home furnishings, Hess has brought a steady flow of new business to his furniture and house furnishing departments... from girls who came in just for wedding gowns.

3. Most department stores gladly present fashion shows to women's clubs. Hess himself spon-



sors an average of three a week. Their success prompted him to pioneer in a new field—and he now offers sporting goods displays at men's clubs and father-and-son school functions.

4. Few people, intent on buying furniture, make their purchases the first time they enter a store. They like to shop around. Hess has found that this delay in buying can be made a department store's advantage. "Look," the sales person says to a prospective customer, "it's a lot easier to furnish a room—and to visualize how it will look—when you're standing in it than when you're here in our shop. Why don't you have one of our people visit your home? This costs you nothing at all, nor does it put you under any obligation. He'll bring pictures and catalogs and I think he will help you to see exactly how things will look." Now it's true that almost every department store has its interior decorators. But an interior decorator sounds like something expensive and a bit exotic. At the Hess store they are simply co-workers who operate in your home.

By taking the glamour out of interior decoration and making it seem a normal, inexpensive and quite ordinary store operation, Hess has been able to furnish many Pennsylvania homes.

WELL, no doubt all these are good business; but we ourselves still like the little, heart-warming notions the Hess store dreams up—the kind that touch customers emotionally. Take the pleasant thing that goes on, for example, in the children's barbershop. When a child comes in for his first trim, the barber in his friendliest fashion asks his name, age and when he was born. Before he leaves he gets a stock of lollypops and a "First Haircut" certificate. And thereafter, on each birthday for a few years, he receives a gift from the store.

Not long ago a visiting Boston business man, who'd heard of some of the Hess innovations, dropped into the store. Hess took three hours to show him around, explained the things his store was doing and described ideas by the score.

"Why didn't I think of that?" the visitor kept saying.

Hess laughed. "Ideas cost us nothing. All we do is keep our minds open for the simple, neighborly thing. Maybe in these days lots of businesses haven't the time or patience. But to us—such things not only pay off—they make business worth while."



... Union Pacific hub of the West offers strategic advantages for industrial expansion

Union Pacific properties in Ogden, Utah, offer industry an excellent location for manufacturing, processing and warehousing.

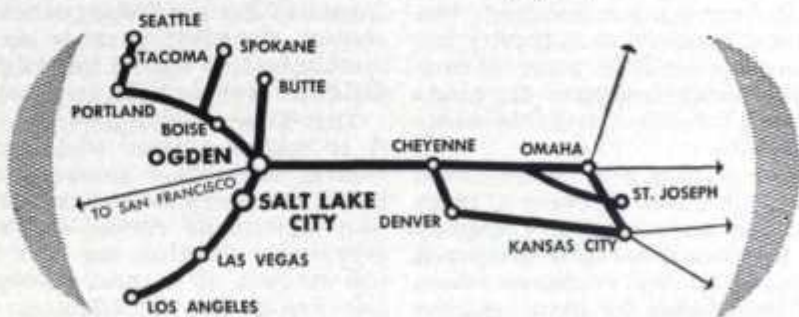
This area is the hub of the railroad's famed overland transportation system, a strategic distribution point for the rapidly developing West.

These industrial tracts have paved streets and all public utilities. A ready supply of skilled and semi-skilled labor is on hand.

Among the 25 industries established here are: American Can, Continental Oil, Gamble-Skogmo, Solar Battery and Sperry Flour.

100 Acres of industrial tracts are still available in the 180 acre area . . . for new or expanding industries requiring rail siding plant sites.

Ogden is located in a beautiful, wide, mountain-ringed setting, with a healthful climate and friendly people.



Other choice plant sites along Union Pacific in Utah are also available at Salt Lake City.

System-wide, Union Pacific's industrial plant opportunities include sites in these eleven States: CALIFORNIA, COLORADO, IDAHO, KANSAS, MONTANA, NEBRASKA, NEVADA, OREGON, UTAH, WASHINGTON and WYOMING.

For detailed, confidential information please write:

INDUSTRIAL PROPERTIES DEPARTMENT
UNION PACIFIC RAILROAD, ROOM 151
OMAHA 2, NEBRASKA

UNION PACIFIC RAILROAD

We Need Not Starve for Raw Materials

(Continued from page 27)

be obtained from whatever part of the world can produce them most easily and cheaply, but wars and monopolistic price-gouging have taught us to reduce our dependence on Far East tin by increasing imports of the harder-to-mine metal in Bolivia and Africa—and most important of all, by finding ways to use less tin.

Using every trick in the box, we are slowly but surely eliminating tin from our list of scarce metals. We proved the strength of our position last March when tin soared to \$1.82 a pound, compared with the World War II price of 52 cents. As a result of our one-nation buyer's strike, the price tumbled overnight.

Despite our healthy stockpile and increased reliance on Bolivian ores, we might not have been able to risk the gesture were it not for a number of new tin-saving methods which our manufacturers have been working on ever since Pearl Harbor. Chief of these is the new electrolytic process of plating the steel sheets from which cans are made. By distributing the tin more thinly and uniformly, this method has reduced by about 50 per cent the amount of tin used in cans. This means a 25 per cent reduction in U. S. tin requirements, and a saving of one-eighth of the world's tin needs.

Tin cans that are virtually tinless also are being introduced. The National Production Authority has banned the use of tin plate for cans used in packaging many dry products, and for shortening, lubricants and paints.

Black plate, a sheet steel coated with lacquer, will do many of these jobs. The American Can Company and 20 other firms have developed an enameled steel container which may be suitable for many canned foods. Containers of resin-treated cardboard and glass may also supplant tin in many cases. Plastic wrappings instead of tinfoil for cheese and other edibles are satisfactory, and great reduction in the tin content of tooth paste and shaving cream tubes can be made with not too much trouble.

Solder used to consume a lot of tin, but in World War II our plants redesigned their automatic soldering machines so that the percentage of tin used has shrunk from 50 to ten. Solder that is almost tin-free has been found suitable for many cans. All these developments

suggest that when the chips are down, we may be able to do without Asian tin easier than Asian countries can do without the American market.

When war clouds gathered ten years ago, our greatest shortage problem was rubber. Today we are protected by a \$750,000,000 paid-up insurance policy—the cost of the synthetic rubber factories which have freed us to a great extent from dependence on the Far East rubber plantations. Taken out of moth balls in recent months, these plants soon will produce at an annual rate of about 750,000 tons and are headed toward a goal of 900,000—more than the total world production of tree rubber ten years ago, when we had no synthetic. (By way of comparison, last year's U. S. rubber consumption—an all-time record—totaled 1,258,557 tons, of which 538,289 tons were synthetic and 720,268 tons were natural.) In addition, the plantations are expected to produce 1,860,000 tons of natural rubber this year.

In the opinion of John L. Collyer, president of the B. F. Goodrich Company, these figures point to a 1951 world surplus of 625,000 tons of rubber of all kinds—far more than this country used annually before World War II. This impending glut is interesting because the price of Far East rubber more than tripled during 1950. As the output of our synthetic plants increases, the price of crude should tumble, and we should collect dividends on the big insurance policy.

This forecast is reassuring, but it is not complete. Sudden increases in military demands may pinch the civilians now and then. And man-made rubber won't do everything. During the last war the amount of natural rubber in tires ran all the way from one and one half per cent in small passenger car tires up to 90 per cent in truck and bus sizes, and the tires on big bombers usually were 100 per cent natural. Across the board, tires ran about 13 per cent natural, and that was found to be too low—tires didn't last long enough.

Today, manufacturers recommend about 20 per cent. To meet this need in an emergency, we have been stockpiling heavily—it is a safe guess that Government and industry now have 800,000 tons. There also has been a lot of personal stockpiling since the trouble in Korea began, and never before in

history have American motorists owned so many tires. If the ceiling falls, we are in far better shape than we were on Pearl Harbor day.

Meanwhile, scores of our ablest chemists are working on the problem of the heat generated by synthetic rubber tires on the road—the limiting factor in heavy-duty use. If they lick the heat problem, rubber from Asia will no longer be a major concern.

Many small items normally come from China which it would be a nuisance to do without permanently. The planes that brought tungsten over the Hump during the war also carried hog bristles, feathers and down, and silk waste. Painters swear by brushes made from Chinese bristles. They have flexibility and "snap"; the scaly surface of the bristles acts as a reservoir for paint, and each bristle ends in two horns which help the paint flow to the surface painted. We have plenty of hogs, but we feed them up and kill them young before their bristles are long enough for brushes, while the Chinese let them grow to bewhiskered old age.

We are stockpiling feathers and down to pad sleeping bags for Arctic troops. No chemist can match the waterfowl in making this ideal insulating material, which may be a matter of life or death to many soldiers in a future war. We are trying to get it from Long Island ducks, but labor costs are high and the raisers are not geared to process it.

Silk waste in the form of scraps and punctured cocoons is invaluable for making the igniter powder bags used in naval guns, for it leaves no residue to set off the next charge prematurely, and it is also resistant to the corrosive action of smokeless powder. We could use cotton, but it has a shorter life in storage, and the powder would have to be repacked after a time. The Navy has been working on substitutes ever since the war with Spain.

For our burlap bags and bagging twine we depend on Pakistan and India. Burlap is cheap and moth-proof; we can use reinforced paper or cotton, but they will not take its place. India also supplies most of our black pepper. The price, once four cents a pound, is now \$1.80, and the supply is short. It has been demonstrated, however, that you can dilute it heavily with ground cottonseed hulls and not too many people will complain.

From this brief review it appears that if the Iron Curtain should creep over all Asia, we could make

out for a number of years, but the cost of coping with shortages and devising substitutes would be heavy. Loss of Indian products would be a serious blow. The balance of power in several essential minerals would shift to Africa, whose docks and single-track railways would be particularly vulnerable to bombing and sabotage in case of war.

As James Boyd, director of the Bureau of Mines and head of the Defense Minerals Administration, points out, the United States, with seven per cent of the world's population, living on six per cent of the world's land area, is doing

40 per cent of the world's work and using 50 per cent of the world's mineral production. We are already beginning to reach out for South American iron, and it is clear that the expanding American industrial system depends on unimpeded access to the best and most easily obtained raw materials.

In an emergency we can perform miracles of ingenious substitution, but in the long run an ersatz policy can lead only to a fantastic increase of man-hours per unit and a lowered standard of living. To quote John Foster Dulles, "The defense which accepts encirclement quickly decomposes."

Souvenirs of Everywhere

IN CORNERS of homes all over the United States are miniature Eiffel Towers, Arches of Triumph, and ash trays with gaily colored scenes of Paris. To Legionnaires of World War I, they evoke the nostalgic memory of the Legion's first Paris convention. For Saul Goldfarb they recall one of the few conventions at which a lot of souvenirs were bought. He sent most of them from his Jersey City warehouse.

There's nothing odd about that to Goldfarb, head of the firm that does about 65 per cent of all the American souvenir business. Probably less than ten per cent of all souvenirs, he explains, have anything more than a labeled connection with the location they commemorate.

Miniature beaded moccasins are as desirable a souvenir of Altoona, Pa., as Albuquerque, N. M. A glass ash tray, with a brightly colored lithograph pasted on the bottom, gladdens the tourist's heart in Waxahachie, Tex., or Caribou, Me.

Americans love souvenirs to the tune of about \$75,000,000 a year, but just why they buy what they buy is not always apparent. New Orleans, for instance, is the land of bayous, of the Mardi gras, and is a major seaport. Yet, the city's most popular memento is a miniature metal horse.

Miniature horses happen to be popular souvenirs everywhere except on dude ranches. The Goldfarbs, Saul and his brother, Philip, sell several million souvenir horses every year, including some 200 gold-plated jobs, standing about 16 inches high, which retail for about \$90 each.

The most popular souvenirs with visitors to New York City are

Indian items. But to Saul Goldfarb the biggest mystery was a World War II boom.

"Have you ever seen one of those souvenir pillow covers in anybody's home?" he asks. "We sold millions during the war, but I can't find anybody who ever used one."

Generally speaking, the souvenir business doesn't change much. New items are almost always a variation of an old number.

Today the industry accepts it as fact that no souvenir will sell unless it is "useful." That, however, is no great problem, because any item can be made useful by attaching a thermometer to it.

Inflation, of course, has upped prices from nickel and dime. Once the bullet pencil was the biggest volume seller at five cents; today it is still tops, but at a quarter.

It appears that neither rising prices nor depressions can hurt the business. Evidently there is a little bit of brag in souvenirs. Thus an item sells better if, in addition to the locality name, a picture is pasted on. An indication of this is the 4,000,000 scenic decalcomanias that one firm alone sells each year.

About the beginning of February things start to hum as souvenir venders get ready for their big season which begins Decoration Day and ends Labor Day. The Goldfarbs will ship about 1,000 parcels a day during that time. They'll use more than 500,000 four-leaf clovers for lucky piece key chains, and tons of cowhide for purses, address books, and key cases.

With no shortage of gas evident, Americans will be traveling more than ever this summer and fall, and most will bring back or send a "souvenir of—" to prove they've been there.—WILFRED WEISS

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Kodak
TRADE MARK

Their Sales Go up in Smoke

(Continued from page 33)

in public if they would smoke like gentlemen. His girls smoked with such abandon that the local fire department was worn to a frazzle and Neilson, fearful that the college would be burned to the ground, restricted the girls to two fireproofed smoking rooms.

Nobody knows how many people of either sex smoke. The trade guesses that two thirds of all men and one third of all women smoke. The surprise is that the trade feels that 98 per cent of those who smoke consume at least a pack a day.

In 1929, Hill moved past Chesterfield and was in a photo finish with Camel for the lead. And he did it with a campaign that was, quite possibly, the most successful in cigarette history and without doubt the most controversial. It was his immortal, "Reach for a Lucky Instead of a Sweet."

It was certainly a campaign aimed primarily at the girls and it started in 1927 when Hill saw a fleshy woman walking down the street chewing on a wad of gum. He turned and saw a youthful goddess reclining in a taxi and puffing a cigarette. Then and there was born, "Reach for a Lucky Instead of a Sweet."

There was a point of difference. It had everything—it appealed to women and to men on aesthetic grounds; it was a "conscience soother"; an all-important item in cigarette peddling, and it hinted that cigarettes were good for you.

But there were repercussions. The people who sold sugar were made unhappy. Cuba, Puerto Rico and the Philippines (the last a fine market captured and kept by Chesterfield) banned Luckies. Schrafft's refused to sell them. Sen. Reed Smoot listened to his irate Utah sugar beet farmers and became critical on the Senate floor.

In 1929 the Federal Trade Commission got Hill to drop his unkind suggestion. A story has it that the "sweet" campaign almost bankrupted the candy business. Actually, the candy business improved. But other sugar users suffered. Old Gold turned the campaign to its advantage by suggesting you "reach for a chocolate, light up an Old Gold and enjoy both."

Under the FTC pressure Hill dropped the "sweet" from his slogan but offered "sound advice" to "reach for a Lucky instead" and pictured fat men beside svelte Apollos. One of the fattest of the fat men bore a shocking resemblance to Hill himself.

The "sweet" campaign still brings clucks of appreciation from cigarette men. In point of truth it was a steal, quite possibly unconscious, from another fair-to-middling peddler, Lydia Pinkham. In 1891, Miss Pinkham's distinguished literature carried the slogan, "Reach for a vegetable instead of a sweet."

In 1930 Hill switched to a theme that dominates cigarette advertising today. He originated the

"medical" pitch by getting 20,679 physicians to say that "Luckies were definitely less irritating." The American Medical Association took a dim view of this dodge. The Federal Trade Commission has never liked it, claiming that "all cigarettes are irritating."

Today the big gimmick in advertising is the "medical story" and a lot of old tobacco hands rather wish somebody would think of something else. The medical story is a defensive offense. In other words, anonymous doctors, independent laboratory technicians, and all kinds of scientists (except amateur) assure you that cigarettes aren't really doing you as much harm as your conscience suggests they are. And the reason your conscience is bothering you (and me) is that we spent our youth being warned against tobacco.

The occasional scare stories that find print have yet to hurt the sale of cigarettes. Nobody has proved anything. The fact seems to be that cigarettes are not as harmful as some suggest, nor as beneficial as others avow.

But those who would get away from advertising that is predicated on an admission that cigarettes can be a source of unpleasantness are shown the sales graphs, and Pall Mall and Philip Morris stand out like the humps on a camel's back. The king-size Pall Mall has pushed past Old Gold into fifth place on a "medico-conscience" slogan that it eliminates "throat scratch."

Philip Morris, the fastest-rising cigarette in the industry is fourth. It has spent \$20,000,000 in less than two years and increased its annual sale more than 10,000,000,000 by saying it eliminates "cigarette hang-over."

Camel, the only one of the Big Three to show a gain in sales in 1950, guards your "T-Zone." What they are all trying to say, and do say in small type, is that they are offering a mild tobacco. But it's a "point of difference" and with almost everybody smoking, the medical tale is a telling story.

The ceaseless search for a point of difference has resulted in some fetching little inconsistencies in ad campaigns. The commonest, of course, is the switch. The switch is simply a reversal of a selling story.

Old Gold for years didn't have "a cough in a carload," a medical pitch if ever there was one. Today Old Gold men aren't "medicine men," they're "tobacco men" and they just sell "pleasure." Camel's original medical story was that



they were good for your nerves. Today they guard your T-Zone, "noted throat specialists report." Luckies also were once just what the doctor ordered, but today it's the men who know tobacco best who recommend them. Those men who know tobacco best also recommend Chesterfield, only they do it more quietly. Today Camel asks you to try it for 30 days which is 29 more than they thought you would need back in the 1930's.

These changes occur because a campaign fails, wears out its welcome, or another brand's drive begins to hurt. They all copy one another's ideas slavishly but nobody could ever figure out a way to copy the most successful of all.

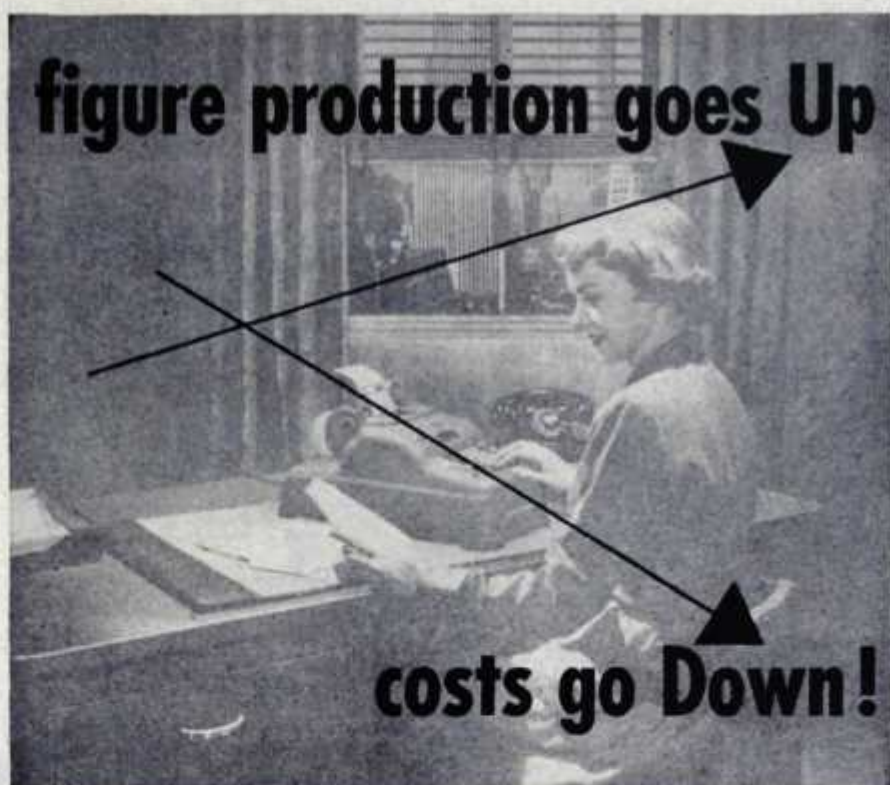
It was "Lucky Strike Green has Gone to War" with which Hill increased Lucky sales 38 per cent in three months. Being completely inexplicable it was uncopyable. It can take as long as six months for a campaign to click. The ad agencies complain that their clients tire of a slogan much quicker than does the public.

Sometimes the public prints show a refreshing disagreement between two major campaigns. In the early 1930's you were advised by Luckies to smoke their product to keep from eating, while Camel stated that nothing helped the appetite quite so much as a Camel. The latter, incidentally, is the great rebutter. Through the years it has drawn many a bead on campaigns of rivals and answered them. Particularly Luckies.

Camel cut loose at Lucky Strike's "toasted" by suggesting you "smoke a fresh cigarette." It also spent a lot of money in amusing ads called, "It's fun to be fooled, but—" Today Old Gold is alone against the field with its "antimedicine man" plugging.

They are all in a fierce brawl for million-dollar stakes and while they jump on a good campaign bandwagon they will back their hunches with important money. Camel spent \$1,000,000 in one week when it came up with a thing called cellophane in 1931. Luckies backed Hill's hunches for a record \$250,000,000 and some of them were expensive lemons. For instance his "sheep dip" which regained the national lead for Camel. So severe was the public repulsion to "sheep dip" that Hill went soft and for months used nothing but pictures of beautiful girls and more beautiful boys.

They are all betting they know how to appeal to you and not offend. Camels once put a lot of money into gaudy trays for night



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club cigarette girls. One evening a Camel executive saw a man order his firm's brand from a girl. The purchaser gave the girl a buck and after the cunning custom of such elves she gave him no change. The purchaser blanched and so did the Camel executive. The next day Camel ceased supplying trays on the ground they were builders of ill will, possibly.

But Philip Morris thought not. It put in trays and then persuaded the girls to tear open a package of Philip Morris and present it to anybody who just ordered "cigarettes, please." If their brand was spurned, the package was purchased at prevailing rates by Philip Morris. This is called sampling and is expensive.

Parliament, a fabulously successful premium cigarette, has four girls who make a living seeing to it that that smoke always is available—free—at fashionable jewelry and beauty shops, fashion shows, and modistes. Johnny Roventini, a 40-year-old dwarf, or one of his three assistant little men, has given away millions of Philip Morris, distributing them at almost every gathering where more than three people have congregated by advertised design.

Fatima, the Liggett and Myers old-timer that has been made into a king-size cigarette and now is joined in the latest war in the industry, the "battle of the long cigarettes," was given to anybody who could get a table in the Stork Club.

The battle of the long cigarettes is the most important thing in the industry today. The fact that first strikes an observer is that the big tobacco companies have entered into expensive competition with themselves. The makers of Luckies, Chesterfield, Camel, Old Gold and Philip Morris each back a king-size and some are backing more than one. But—and perhaps there is an omen here—it was much the same when Camel, Chesterfield and Lucky Strike first hit the market themselves. They were battling cigarettes already backed by their sponsors.

George B. Duke is said to have attempted to discourage George Hill's lust for introducing Lucky Strikes on the ground that that brand would be just another American Tobacco Company cigarette and there were plenty of those available.

The long cigarettes sell in the

identical price bracket with the shorter ones. But a pound of tobacco yields 450 shorts against 350 longs. Wooten reports that the domestic long cigarette business increased 32.5 per cent in 1950 against the increase of only 2.5 in all types. Wooten also claims that dealers discount the economy factor in the rise and lay it to the pleasing feel and eye appeal of the king-size smokes.

But the attractiveness of the longer smoke is going to be enhanced greatly if Congress adds a three-cent-per-pack tax to the price of all cigarettes. Those four extra cigarettes per pack are going to look good to the buyer.



The reason for the emergence of the competitive longer cigarette is difficult to explain. The most popular explanation seems almost whimsical in the light of the millions of dollars involved. The story goes that Paul Hahn, a sedate lawyer brought into the American Tobacco Company by George Hill, wanted to prove something.

Hahn was put in charge of a subsidiary, American Cigarette and Cigar Company, in 1940. Pall Mall, an old name going nowhere, came under his scrutiny. Shortly after Hill's death in 1946, Hahn began pushing this longer cigarette. Three years later 17,000,000,000 were being sold, and last year sales jumped to 23,000,000,000, passing Old Gold in the process. Hahn became president of American Tobacco Company last year, succeeding Vincent Riggio.

There may well be a touch of doubtful authority in the reason behind the emergence of the longer cigarettes. Whatever it was there is no mystery behind the money

being sunk in promotion of them.

Perhaps the reason companies go into competition with themselves is that tobacco comes close to being the perfect business. It has twice demonstrated it is depression proof. When times are hard sales of name brands do fall off, but tobacco leaf gets cheaper and tobacco leaf is the expense of the business. It is highly mechanized so labor is no overpowering problem. And, rumors notwithstanding, promotion is not the greatest expense—five per cent of the income being normal. That would mean about 17 cents per thousand. Many companies spend less. One, Parliament, spends 50 cents per thousand so wisely that it just enjoyed the best year in its history.

But given a point of difference to plug, or faced with some special condition, the operators throw that five per cent out the window. At the moment, television is termed a special condition. The big, little and in-between companies are neck deep in television. All know the medium does not yet reach enough people to justify the current investment. But, as always, they want to be ready.

There is a feeling or attitude among tobacco and advertising men that the cigarette they sell is the best. This feeling seems to verge somewhere between the ridiculous and the obscene but it is sincere.

The president of one of the largest advertising agencies snatched a Camel from my hand, tore it open and then did the same to a cigarette he fancied. "Look," he demanded, "at the tobacco, the way it's cut."

A cigarette company president ordered his advertising manager to give me a test wherein I smoked first his and then my Camel.

"Was not the Camel acrid?" Truth of the matter is that it was. Later I tried the test again, but by accident I smoked my Camel first and then his product, and this time his was unpleasant.

I explained I had been smoking three packs of Camels a day for almost 20 years.

However, everybody doesn't stick to his first choice. Most people are shoppers and the trick is to be sure your product is in their mind when the time for the change arrives. The psychology seems to be that tobacco is the answer to the quality and popularity of any cigarette, but you can't sell just tobacco.

Citizens Learn To Eavesdrop



WHEN a politician finds himself in an embarrassing spot, he usually prefers to keep the matter as confidential as possible, on the theory that what the voters don't know won't cost him votes. Not so the mayor and city council of Burbank, Calif.

They actually invite the public to eavesdrop on their little embarrassments, as when an aggrieved citizen strode into city hall recently to complain about his garbage service. The complaint was heard by thousands of Burbank folk, for a wire recording of the council session was played back over a local radio station that night.

This has been standing procedure in Burbank for some months now. The idea originated with the mayor, Floyd J. Jolley.

"We are just five men trying to serve more than 78,000 people in this city," he explains. "Our decisions on tax rates, new city laws and hundreds of other issues affect personally every citizen of this community. We want the citizens to know what we are doing."

Since the 30-minute nightly broadcasts started, interest in municipal government has increased greatly. Hundreds of letters on public issues pour into city hall and attendance at council sessions has increased perceptibly.

This policy of taking the public's business right into the public's living room has made satisfied customers out of Burbank's Mr. and Mrs. Average Citizen.

—JOSEPH STOCKER

HOW AMERICAN BUSINESS SPEEDS UP ITS MAILINGS WITH THE INSERTING AND MAILING MACHINE



A. T. & T. operator at work with the INSERTING AND MAILING MACHINE that automatically gathers enclosures,



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INSURANCE COMPANY**
HARTFORD 15, CONNECTICUT



First Mate Iverson has been a lakes sailor all his life

PHOTOS BY FRED F. COSTELLO



Lake Michigan's value as a short cut was seen in 1882



The car deck on a ferry such as this will hold 34 freight cars, and still have space left for a few automobiles

Here's How a Railroad Goes to Sea

By CHARLES RAWLINGS

SHE IS a stocky little packet, half able ship and half Casey Jones railroad—queen of her fleet. She cruises a fabulous course. It is one of the great short cuts of the world. We got into her following orders.

The orders said to get a yarn about how a railroad goes to sea. Railroad-owned and -operated bottoms cross bays, lakes, rivers, straits and stretches of ocean on a surprising scale when a watery course is the best way to get from here to there. They do it in much of Europe, western Asia, up and down the coasts of North and South America and the Great Lakes. They have been doing it for a long time. A great deal of maritime progress is attributable to the railroads' use of the sea. Some day somebody will write a book about it—rich in adventure, invention and history.

When they do there will be a big chapter on Lake Michigan. Flanked by booming Wisconsin and the rest of the upper Midwest on one hand and the southern peninsula of the State of Michigan joining the great industrial area about Detroit, Cleveland and Buffalo on the other, Lake Michigan hangs on the map like a pendulous blue gourd. You skirt it via the busiest rail terminal in the world—Chicago, if you go by land, or you can make steamboat time ferrying across the lake, by-passing the Hub City.

The worth of a short cut 'cross lake was recognized early. In 1882 a pair of wooden boats went into commission carrying "break-bulk" freight: merchandise unloaded by hand from cars into the holds and back into cars again. In 1888 the first car-carrying hulls appeared, brave little ships with screws forward and aft and trackage for ten cars.

The traffic thrived and steel ships appeared until out of Milwaukee, Manitowoc, Keweenaw and Menominee on the western shore and Muskegon, Ludington, Frankfort on the eastern beach, three railroad systems—the Grand Trunk, the Pere Marquette division of the Chesapeake & Ohio and the Ann Arbor—are ferrying today one way or another, winter and summer, upward of 250,000 loaded and empty freight cars a year. And even this carrying capacity will be upped further when the C. & O.'s two 410-foot carferries, now on order, are commissioned later this year and next. Incidentally, the Government has recognized the national defense aspects of

these new vessels by permitting them to be amortized in five years instead of the usual 20.

The *City of Midland* on the Milwaukee-Ludington run for the C&O is our ship. She is 8,000 displacement tons, does 18 "miles" as they say on the Lakes when talking about operating speed, has four tracks carrying 34 freight cars and a little deck space left over for tourist automobiles. *Topside her car deck she is a gaudy little ferry with 62 passenger staterooms, 12 suites, a pastel-tinted lounge, and a swank dining saloon. Forward she had been streamlined like a spiggoty liner with her upper deck and bridge bow-fronted in sweeping curves and her single funnel tapered like one of the Indian tepees old Father Marquette knew. But she wears it all with an air for she is a tough, admirable little gal, double bottomed, grim bowed, heavily sheathed—built to battle the ice and gales of a Great Lakes winter.

She is the present flagship of the Pere Marquette division fleet. She has averaged 1,724,800 tons across the lake east and west for the past three years. Her cargoes eastbound are: iron and steel goods, distilled spirits, liquors, malts and wines, flour and grain products, sawmill products, fabricated paper products. Westbound she carries coal, steel ingots, blooms, billets, slabs, sheets, bars, nonmetallic minerals, newsprint, building cement.

Including the land trackage of the division that starts in upper Wisconsin and ends on the far side of Michigan, she has helped earn a gross income that tallied \$13,892,326 in 1950. She took her share of \$1,000,000 lake passenger gross revenue last year. She earned it, working like a powerful little water buffalo, three and sometimes three and a half crossings in 24 hours, seven days a week, 50 weeks in the year.

When we watched her load over her Milwaukee apron, her stern gate was aloft and her wide-open maw of a stern was toggled snug against the apron joining her four tracks with the land. Her two midship strings of cars rattled into her. They were groaning their springs with tons of freight.

Automobile frames, standing close stacked on end in especially rigged gondola cars, figured largely. She took her starboard string of cars and the weight of them coming suddenly upon her heaved her down in a startling list. The apron, hinged ashore and built of heavy interwoven timber so that it can take the torque of that list,



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twisted and held true with her, yet true also with the land. The diesel switch engine, with a pair of empty flat cars out in front for a ram so that the engine's weight stays on the land, backed off and came hustling up with her port string. They rolled in and the list to starboard left her as swiftly as it had come.

On even keel once more, she waited impatiently while her crew expertly backed a dozen tourists' automobiles into what was left of her space.

The stern gate, heavy as tank armor, lowered into place shuttering the open stern. She churned the sludge of Milwaukee harbor into a froth with her 7,000 shaft horsepower and we moved out on the lake.

Leland H. Kent, C&O superintendent of steamships, was aboard, bound home to Ludington. With a background of 14 years as a superintendent, an engineering degree in marine architecture from the University of Michigan and a chief engineer's ticket earned at sea, he owns the *City of Midland* more than the railroad that paid for her. He drew her lines, perfected her mechanics, drove the first rivet of her keel and has had the fun and headaches of being top flag over her and the rest of the Pere Marquette flotilla in the hard, scrappy,

but ever more successful venture of car ferrying. We turned to him as well we might.

"Sir," I said, "let's hear some stories of the death of car ferries in ice. It's a good June day for it."

"Ice stories!" he said. "If I don't watch out you reporters will scare all our shippers to death. We get a little ice but it doesn't slow us up much. There hasn't been a bad year for ice since 1935. It blew down lake and piled up a bit then. But there never has been a Michigan ferry lost because of ice, even in the old days. Now these modern ships have the power and the strength to handle it. As long as we can get clear water for our propellers to turn in, we go."

"Here are my ice stories. In the past 13 years Ludington has never had 24 hours without its ferry. In the winter of 1946-47 my railroad friends ashore had a little trouble. It snowed. Their trains were stalled. Milwaukee was low on coal. We ferried in enough to run her. There was another time when there was snow between Milwaukee and Manitowoc. People like to get cozy at the movies in a good snowy time but Manitowoc had run out of new shows. We carried the films to Ludington and then back 'cross lake again to Manitowoc. Gales!" His big finger punched our brisket. "Those are your stories. Come be-

low and I'll show you how we rig for gales."

At the foot of the ladder was the car deck. Its vastness smelled of journal grease and prairie dust from the big dun-red cars that sat on the polished track. The cars towered up to the high ceiling. They crowded the deck with their width so that walkways were a tight squeeze past stanchions. They made an enormous cargo and the ship seemed but a shell around them.

"It's big, it's top-heavy and it's above the waterline," Kent said. "It sits on greased wheels on nice smooth track. With the lake like a floor all it takes is a wheel trig aft, just in case. But if we had a gale from anywhere east or west of north whistling down old Michigan's 300 miles, with the big sea that can build up here, then we'd have to secure."

"Show him!" he said to the tall, lean youngster neat in his dungarees, who had been standing in attendance.

A spare length of track ran parallel to the car rail on each side, with pieces of heavy gear strung along the track. The boy upended a great clamp with the disarming ease that only experience in handling heavy weights develops. In a jiffy he had the clamp's jaws mouthing track just forward the car wheel before us. Its upright arm pressed back against the wheel. His short sledge tapped the 40-pound wing nut that tightened the clamp and as it drew up he sledged it home. Another similar clamp trigged the second wheel on its rear face so that there could be no forward or aft motion.

A heavy jack with a forked head that fitted the lower edge of the car body next was angled up into place. Its base was held by heavy blocking. Like an automobile bumper jack, it lifted our corner of the car, taking its weight off the springs. The jack and not the truck now was supporting the car.

A pair of sister hooks linked with heavy chain grabbed the car body, lipping a flange inside the lower edge. A turnbuckle, clamped down to the spare track alongside, reached up and caught the chain linking the sister hooks and brought down hard.

"You see," Kent said, "when we do this on every corner of every car, the wheels are blocked from fore and aft motion. The car proper is standing on jacks, screwed down hard to the deck with sister hook and turnbuckle. We've made her part of the ship. As long as the gear holds, she can't get away no



Upward of 250,000 loaded and empty freight cars a year, winter and summer, are ferried one way or another 'cross Lake Michigan

matter how we roll or pitch. I'm proud of this gear. Treasurers groaned when we were buying the steel and the machining for this tackle, but we bought it. Set it up right and watch it—watch it—keep patrolling it every minute, and the cars get home. Good boys, our car handlers. You should be here when we are pitching in a full gale."

"No full gale today," we said, "worse luck. Tell us about your favorite full gale."

"I can let you read about it," he said. "It happened before my time: February, 1900. But—er—I'm thinking about our shippers. Before you write it, tell your readers this: In 50 years there have been only two ferry sinkings on Lake Michigan involving loss of life. We alone average 6,000 crossings a year, with all six of our vessels averaging almost 100,000 miles, each. Our ships make enough miles through the water to rank near the leaders in the ocean trade. Right here, any day, is one of the safest places human beings and merchandise can ever be."

The story of the full gale was in the captain's cabin. With Lake Michigan outside the porthole blue and still, we read about Feb. 23, 1900, a different sort of a day. The *Muskegon*, she was the *Pere Marquette* then before the C&O bought in, left Muskegon for Milwaukee with 24 cars. She cleared an ice pack and moved into clear water at 11 p.m., just as a northwest gale broke. The gale increased and at 4 a.m. the next day her rudder quadrant broke, disabling her steering. Rolling badly in a trough, she broke 16 cars loose.

What followed must have been like a train wreck in slow motion, augmented in terror and awe because it was disintegration inside a ship. Some of the sound and the fury that filled her is distilled into a pair of paragraphs that read in part:

"Main Deck (Car Deck): Everything more or less damaged. Cars off tracks, many badly broken, tracks moved out of place, woodwork split and damaged, nearly all supports knocked out of place, broken, bent and destroyed, letting the cabins and promenade deck down so as to rest on the roofs of the cars. Pieces of pine decking broken, cut and destroyed by the car wheels going through while off the tracks. Many rails torn from stringers. Both smokestacks badly damaged, one of them down.

"Cabin Deck: Cabin trunk badly hogged; the forward part under pilot house badly racked and the

roof settled down, and the combings around the front of the cabin are loose and moved on deck. Skylights, cornices, window frames, sash doors and jambs out of place."

They got her up out of the trough at last. In spite of boilers flooded by the excessive rolling, causing water to enter the engines, breaking piston rings, scoring cylinders and destroying lubrication—they drove her wide open—steering with her screws. They made Racine, Wis., 12 hours later. She went into dry dock for \$50,000 worth of repairs.

Now, 50 years later, we aboard the *City of Midland* made Ludington with ridiculous ease. Ludington is a sweet little port, lush with trees and sleepy, small-town streets. Our cars rattled off, bound for Buffalo. Kent joined his wife, who had driven down to pick him up, and waved good-bye. Our westbound cars came in and the *Midland* listed once more to starboard, then back to even keel. We climbed to the streamlined bridge.

Edward Doner, the second officer, had the watch. He was listening to Milwaukee on the range finder and the signal "da-da-da'd" in the friendly snarl of electronics trying to be comforting. The sign-off was "da-da-da-a-a-a-a-a-a-a." That said something to Doner.

"Fog in good old Beertown," he said. "I thought so."

"Just on the Wisconsin beach, do you think?" I asked.

"Likely to get patches of it all across," he said.

The chart of Lake Michigan was on the table.

"What'll be out here?" I asked.

His finger started at the criss-cross of lines that was Chicago and came up-lake.

"Northbound traffic," he replied, "comes up the eastern shore for Point Betsie and South Pass and then into the Straits of Mackinac. We cross the lane from one to one and one half hours out of here. Southbound traffic follows the western shore by Rawley Point into Chicago and Gary. We're into that about two to one and one half hours out of Milwaukee. We'll show you something maybe."

There was a stool beside one of the bridge windows and we perched on it. We dozed over an empty sea for three hours. The gyro said our magnetic compass was nine degrees out, an error that varies every crossing depending on what sort of magnetically disturbing cargo is in the freight cars.

The watch changed and Ingvald Iverson, the first mate, took over. He is a Norwegian, the same way

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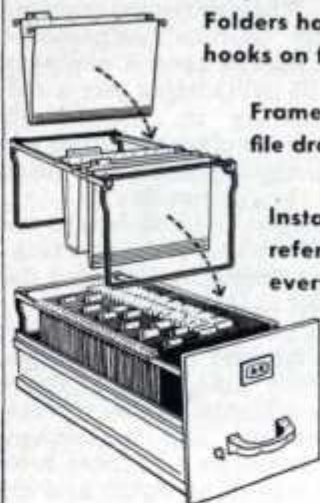
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our skipper, John Asuma, is a Finn. Both were born in Great Lakes ports and never have been anything but lakes sailors. The routine entries went into the log. We talked on the ship-to-ship radio with a pair of our sister ferries that followed us out of Ludington. As the wheelmen and the lookouts changed, the mate of their watch signed small white slips and passed them out. They were tabs showing how many tourists' automobiles each had backed aboard and were good for 25 cents extra pay a car.

"For putting on that fancy shoffer's rig," a big wheelman explained, pocketing his slips. "Beer money in the Anchor Bar."

"If you want to know where the crew lives," he added, "say Ludington on the Michigan side and the Anchor Bar in Milwaukee."

She was a happy ship. Her crew, after the manner of ferry people, were divided into threes. There were three mates, three wheelmen, lookouts and watchmen, three car handlers and three deck hands. It was stand watch and hit the sack with no nagging bosun thinking up spare work chipping paint or soogeein' deck. That was done by a regular paint crew of four working an eight-hour-day. All hands made good money and many have homes with wives and children in Ludington. They turn to for steady stretches and get their time off in ten-day blocks.

The cars were asleep under us. The ship made her steady 18 miles. It was easy to visualize the course and the great bowl of the lake hanging south of us with Chi far down in the bottom.

The pure profit, the pleasurable sensation of a short cut that an angling path across a field or an alley bisecting a city block can give a wayfarer was here, only Gargantuan in size. Not a few steps and a few moments was the profit here, but miles and hours, if not days, with hundreds of tons of cargo. A feeling for the great size of America was a sleepily growing mood when we slid into the fog.

Our horn suddenly brought us up straight on the stool. Put on 60 second automatic set, it blew its three even blasts: "woe—wo-o-oe—wo-o-oe." Iverson, the first mate, closed a window to keep the fog from blowing on the wheelman and dropped the window where he stood. He cocked his ear out it to starboard. We were nearing the southbound lane and the danger would come down from starboard. By the rules of the road we would have no right of way from that quarter.

"We've got our starboard light over on that side," Ramsden explained. "That's just like a green light in city drivin'. He can go ahead on our green light."

There was no "he" out there yet. There was nothing but fog. The lookout was keeping an ear cocked. Suddenly, he stuck out his right arm, pointing off our bow, and turned his face toward the bridge.

Our horn blatted. Its reverberations died away and we listened. There was silence for a long moment and then we could hear it. Softened by the fog until it was only a melancholy whisper of a cry, a ship was calling. She bore three points off our bow. A southbounder without doubt converging with us on a broad angle.

Our horn's 60 seconds of silence ended and its jarring blasts roared out, trying to reach the sad, far-away cry. When we heard it again it was undoubtedly nearer. It was

"No man is worth his salt who is not ready at all times to risk his body, to risk his well-being, to risk his life, in a great cause."

—Theodore Roosevelt

still bearing three points. That meant that we were on a collision course.

If the bearing stays the same converging, the two moving objects must meet. No one aboard us did anything different from what he had been doing before until three more minutes had gone by. Then Iverson stepped to the engine room telegraphs and slowly pushed them both down to "Stand by." The answer from below jangled.

The small gray cry was nearer now, still bearing three points. Iverson took the brass handle on the little round whistle switch off its automatic position and moved it up and down three times and our horn followed him. He did it again. The cry out in the fog either did not hear or did not deign to answer. There was a pause and then it blew in orthodox fashion. Iverson looked at his watch and held our own horn silent while he followed the second hand. The horn out in the fog came at 60 seconds.

"She's got a radar," Iverson said. "She knows where we are. She's not worrying."

We waited until she blew again. It was startlingly close this time. Iverson moved the engine controls to "Half Speed."

"Twenty degrees starboard rudder," he said quietly.

"Twenty degrees starboard rudder," Ramsden repeated, swinging the spokes.

In the windless fog there was no visual evidence nor any feel of our change of course and speed. The smooth engines deep down under us did not shiver as they instantly slowed. Only the next cry from the fog showed us our changed orientation. It bore dead ahead over the bow. Iverson nodded to himself. He waited until the next cry came, much fainter now and surprisingly far off to port. Then he pulled the engine controls up to "Full Speed."

"Twenty degrees port rudder," he said, and we came back to course.

"There's the best thing to see about those fellows," he said, "their wake! See it there?"

After that all that was left was to get into Milwaukee. The range finder did some counting and pointing for us. We tuned in the three "da-a-a's," Milwaukee's signal, tuned them down to their faintest note. That was where Milwaukee bore. We were a trifle high and we came down to make it good. Then there was a time of listening for Milwaukee's fog horn and counting chimpanzees after we heard it. At the end of Milwaukee's time on the air with her triple "da-a-a's" there was that long, long, signing-off "da-a-a-a-a-a," that the second mate had been listening for in Ludington.

At that same instant Milwaukee's fog horn was blowing ashore. The signal and the horn were synchronized. The signal reached us in no time at all. The sound of the fog horn, however, traveled out to us with the speed of sound, a slow 600 miles an hour at foggy lake level; one mile in six seconds.

We counted, each man to himself, the interval between the signal and the horn. "One chim-pan-zee, two chim-pan-zees, three chim—" we counted and each chimpanzee made a good sailor's second of time, a comfortable second that can be measured in the dark or on a life raft. Eighteen, 19 chimps we made it. Dividing by six we were three miles off the beach.

But we could have saved our counting. The lighthouses on the two piers came into view a mile off. There was no fog on the land. Captain Asuma came out then to take charge of the real nip-and-tuck pilotage of the voyage; the passage up the crowded harbor and the slow, churning, stern-to docking. We rolled off our cars. The beer was excellent in the Anchor Bar.

The GI's Own Hospital

(Continued from page 36)

working a five-day week, had locked up and gone home. That never happened again. A simple enough incident, but it rated General Streit as a "right guy," and morale zoomed.

But take a look at Walter Reed in action—what General Streit calls the application of what we have learned. It matters not whether it be day or night—medical attention is constant and uninterrupted. A hospital plane from Korea has landed, and surgery is busy. The incoming boys are healthy. No cases of morbidity developed through long days or weeks lying around field and base hospitals. If, by some chance, Walter Reed can't supply the specialist needed for a difficult case, a civilian expert summoned by telephone has been flown in and is ready and waiting. That which is required is done, and from that moment the boy's sole job at Walter Reed is recovery.

Out in the corridors a few ambulatory patients dressed in red lounging robes are holding bull sessions. A visiting girl, pretty, goes by, but there are no whistles or catcalls.

"Sometimes they're so damned polite," she remarks in passing, "that it gets you."

In the paraplegic ward a half dozen therapists are administering the massages that restore tone to muscles. The others awaiting their turns are watching television—there is a large donated set at each end of the ward—or reading, or sleeping. Outside the ward the word paraplegic is a terrifying thing, but if it remains so inside, the boys have learned how to deal with it.

For the boys who find it hard to take, there are the others there to help them, and they do it gently or roughly as the case requires. Just which type of treatment to use they determine with wonderful sensitivity, and the morale in there is almost exalting.

The amputee wards—Walter Reed is noted for its work in this type of surgery, and so these wards hold more beds than in most Army hospitals—contain a large number of the Korean casualties. Victims of serious frostbite and gun and mortar fire for the most part, and a welcome absence so far of the tragic victims of land mines and booby traps.

Here the atmosphere is a cheer-

ful and vigorous "let's get some arms and legs and get the hell out of here." No one has a chance to brood for long on his loss. There's always a guy who is worse off and, besides, the others, who are the best therapy, won't permit it.

The library workers bring around rolling libraries (comics, mysteries and westerns in that order are the favorite reading matter, but books on any subject are obtainable from an excellent library). Gray Ladies of the Red Cross handle correspondence, or just sit and talk where needed. The work of these women cannot be overestimated.

The boys do not have long to wait for their new limbs. The Army Prosthetics Research Laboratory is a part of the Center, and tremendous strides in fundamental research have been taken in this direction. Hands are so lifelike that even the finger prints and hair are natural, and they are also powerful enough to pick up heavy objects, and delicate enough to manipulate so small a thing as a match. Newcomers watching some of the old grads soon cease to look upon their loss as an irreparable handicap.

No longer is Walter Reed content merely with healing wounds. Complete restoration of the physical abilities is the objective. Already its advances in brain, thoracic and dental surgery, radiology and neuropsychiatry are fabulous. The Audiology and Speech Correction Center for the rehabilitation of the deafened of all the military is the best in the world. And the physical and occupational therapists and physical recondition experts who complete the final restoration of the patient don't rest until they have him reestablished as far as present skills permit for life in the outside world.

No legitimate expense is spared in this work.

General Streit expressed the true theme of Walter Reed's function:

"We want to get that boy back in public life as a useful citizen. No cost is too great if we can do that. On the other hand, if we cut corners, skimp on research, and reduce our air evacuation fleet, we'll just add more lifelong residents to our veterans hospitals, far more costly in the end. This is one case where to give the best we've got is not only our duty—it's good business, too."

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Rhubarb in Apt. 7-B

(Continued from page 42)

Knowlton glanced at Father who nodded his head. Father was watching him closely as if he was very interested in what Knowlton would do next. What he did next was to look at his shoes and breathe the kind of heavy. "That's enough for now," Knowlton said after a while. "We'll have another lesson tomorrow night."

"I'll be here," Father said. He turned to me. "What do you say to Mr. Knowlton for giving you the boxing lesson?"

"Thank you, Mr. Knowlton."

He told me I was welcome.

Knowlton gave me a boxing lesson every night that week and Father watched every one of them even though he had to miss the Thursday Bowling Club. I heard Father telling Mom that the boxing lessons were the high point of his life to date. He said he could hardly wait until Knowlton started to give them to Wendell.

Aunt Abby didn't enjoy the boxing lessons. At breakfast on Saturday morning she told Mom that Knowlton never took her out any more. He spent all his time with me, she complained, which left her in the living room with Wendell and the television.

Father tried to quiet her down. He said that she ought to watch the boxing lessons. He said that the boxing lessons were better than the Music Hall any time.

"Oh, you," Aunt Abby said and began to cry. She got up and went into her room. Mom followed her saying, "Now, now, Abby."

"Aunt Abby is always blubbering these days," I said to Father, and he told me to finish my milk and then go out and get some sunshine.

Not having any school on Saturday morning I usually hang out at the gas station talking to Joe Watts. I told him about how Aunt Abby was getting irritable about the boxing lessons and he sort of smiled to himself.

"About one more week of it," he said, "and Abby will ram that ring down Knowlton's throat. Not that it's any of my business."

"I'm not going to take any more boxing lessons, Joe," I said.

He looked worried. "Listen, Arthur," he said, "you keep up with the boxing lessons and I'll give you—"

"No, Joe," I said. "I've had enough lessons. Mr. Knowlton says he thinks I am ready to take on the tough Irish kid."

Joe stared at me. "You crazy, Arthur?" he said. "You don't want to rhubarb with the Irish kid."

"Mr. Knowlton says I shouldn't be a coward."

"I'm a grown man and I don't want to rhubarb with the tough Irish kid," Joe Watts said kind of excited. "Why should you get yourself half killed just because—"

"Mr. Knowlton is going to be there to coach me," I told Joe Watts. "He says I will be all right if I just remember to keep jabbing."

Joe said that Knowlton didn't have the brains of a retarded baboon. He said that there ought to be a law against Knowlton. He said a smart kid like me should have more sense than to pay any attention to Knowlton, and then the bell rang meaning there was a customer at one of the gas pumps.

It was Aunt Abby. She said, "Five gallons, please," and didn't so much as look at Joe Watts.

Joe said, "You know what that

"No government ever financed anything that it did not get control of. You cannot separate responsibility and power. If the government hands out a dollar, with it goes the implied responsibility of how it shall be spent and some influence on the life of the recipient."

—Dr. Alfred P. Haake

clown Knowlton is going to do, Abby? He—"

Aunt Abby thanked him very much for his interest in hers and Knowlton's affairs. She said that what with all the activity in Apt. 4-G she hardly saw where he had time to nose into other people's business. She said that she was sick and tired of people who treated other people like a child and henceforth she would deal at a different gas station.

"Get in the car, Arthur," she said, and so I did, and we drove off with the gears sounding like they were mixing cement. Joe Watts looked unhappy.

I stayed in the apartment reading a book until Knowlton showed up about two o'clock. "Today is the big day, Arthur," he said to me. "How do you feel?"

I said "Fine" and flexed my muscles like he seemed to expect.

Knowlton smiled and said we would show that bully a thing or two, hey? He told me I shouldn't get discouraged if the tough Irish kid landed a lucky punch and

maybe blacked my eye or bloodied my nose. "You know what to do if the going gets rough," he said.

"I will just keep jabbing," I said and he nodded.

Mom and Father were out for the afternoon, but Aunt Abby was in the kitchen. "Where are you two going?" she called as Knowlton and I started to leave.

Knowlton said, "We have a little business to take care of," and winked at me. Then we went out the door together.

Knowlton and I walked up to the next block where the tough Irish kid hung out. Mickey Lynch—that was the tough Irish kid's name—was standing in front of an apartment building. He was tossing a football up in the air and catching it.

I walked up to him and said, "I am going to beat your brains out."

He said, "Oh yeah?" and put the football down on the sidewalk.

I said, "Yeah." I took off my glasses. "Here," I said to Knowlton, "hold these for me, please."

I put up my hands like Knowlton had taught me, but before I got a chance to jab even once Mickey Lynch began to holler bloody murder.

Knowlton laughed and patted me on the back. He said that that was the way it was with bullies. Just call their bluff and they backed down.

Mr. Knowlton handed me my glasses and I put them back on, but the tough Irish kid was still yelling his head off. "Stop crying," Knowlton said nervously. People were beginning to poke their heads out the window. "Nobody's going to hurt you."

The tough Irish kid blubbered louder than ever and pretty soon his father who was so big it scared me even to look at him came out of the apartment building. I think it scared Knowlton, too.

"What's wrong, Mickey?" the tough Irish kid's father asked.

"This man hit me," Mickey said.

Mickey's father looked real mad.

"What's the idea picking on a kid?" he asked Knowlton.

Knowlton said, "I didn't hit him." He turned to me. "Did I, Arthur?"

"I couldn't see what happened," I said. "I wasn't wearing my glasses."

The tough Irish kid's father said to Knowlton, "You calling my kid a liar?"

"No, but—"

"I think maybe I ought to knock your head out from between your ears."

Knowlton's face was the color of

milk. "What'll I do?" he asked me and I told him the best thing to do was to keep jabbing.

Knowlton was looking around kind of wildly and all at once he noticed the football Mickey Lynch had been playing with before the rhubarb started. "Whose football is that?" he asked and it wasn't just to change the subject. I edged away a little bit.

Mickey Lynch said, "It's my football."

His father said, "You're crazy. You don't own no football."

The tough Irish kid was all muscle, even in the head. "Yes, I do," he said. He pointed at me. "He gave it to me, Pop. He said if I would holler for you when the rhubarb started I could keep the football."

"I thought so," Knowlton said. "It's the same football I gave Arthur a couple of weeks ago."

Even with a headstart I barely beat Knowlton back to the apartment. When I ran into the kitchen Aunt Abby said, "What's wrong?" but I was too out of breath to tell her.

Then Knowlton raced in and Aunt Abby asked, "What's wrong?" again but Knowlton was too mad to make any sense. We were still moving around the kitchen—me trying to keep Aunt Abby between me and Knowlton—when Joe Watts came charging in. Joe Watts said, "What's wrong?"

Joe Watts had seen Knowlton chase me into the apartment building and so he had closed up the gas station in order to find out what the excitement was all about. "Let's all sit down in the living room," Joe said, "and discuss the situation calmly."

Aunt Abby said we couldn't go into the living room on account of Wendell was watching the western matinee on the television. Knowlton said real meanlike, "It's just too bad about Wendell," and he walked into the living room. He was a lot braver with Wendell than with the Irish kid's father.

Knowlton glared at me the whole time he was explaining about how I bribed the tough Irish kid with the football. "It might have had very serious consequences," he said and Aunt Abby tried to look stern.

"Is all this true, Arthur?" she asked me.

"Well," I said, "I also promised the tough Irish kid he could have the boxing gloves."

Aunt Abby bit her lip, but Joe Watts busted out laughing. Knowlton got all red in the face and said to Joe, "I suppose you think Arthur was smart to pull a trick like that."

Joe's eyes stopped laughing and he said, "I think he was smarter than you."

Knowlton looked hard at Joe who isn't very big. Knowlton said, "I am going to give Arthur the hiding of his life."

"If you try it," Joe Watts said, "I will spread your teeth around the floor like gravel on a driveway."

Right then and there we stopped discussing the situation calmly. Knowlton threw a punch that missed and Joe Watts threw a punch that didn't miss. Then they began rolling around the living room with Knowlton mostly on top. All the commotion and wrestling around did something to the wires of the television so that there was nothing but those wavy lines that make Wendell irritable. Wendell took his cowboy pistol and slugged Knowlton on the back of the head. It didn't knock Knowlton out like it always does on the television, but Knowlton said ouch.

I was mad at Knowlton, too, so I took off my glasses and waded in. I put up my hands like Knowlton had taught me and I kept jabbing until Wendell said, "Stop hitting me, Arthur. I'm one of the good guys."

Then I put on my glasses and sunk my teeth into Knowlton's ear, and he said ouch again.

Then Aunt Abby joined the rhubarb. She kicked at Knowlton with her foot and dug her fingernails into his face. What with all four of us working on him, pretty soon Knowlton began to scream very loud. So we finally had to let him up because we didn't want the superintendent banging on the pipes for quiet.

"Here is your ring, you big bully," Aunt Abby said to Knowlton. "I never want to see you again."

Knowlton said that he never wanted to see Aunt Abby again either. He said that he didn't want to marry into no family of lunatics. He left the apartment.

Aunt Abby's chin was still out. She said to Joe Watts, "Now I suppose you'll go down to 4-G and brag to that blonde retread about what a hero you are."

"No," Joe Watts said. "No, Abby, I think I'll just stay here and look at you."

Aunt Abby's chin went back into place, and she and Joe Watts sat down on the living room couch and looked at each other. Wendell got the television into focus again and he looked at the western matinee. I looked at a book.

When Mom and Father opened the door all was peaceful in Apt. 7-B.



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George Bannon: Father Timekeeper



FOR years one man has sat in split-second judgment on ring champions, but to the fans, he's almost a mysterious figure

The Man Behind the Bell

By BOB CONSIDINE

THIS ONE is about George Bannon, an almost unknown little man of 75 whose name has been mentioned to as many as 30,000,000 viewers at one time. For the past 50 years Bannon has made a modest living for doing something which, in some business and industrial circles, leads to suspension or excommunication: watching a clock.

Bannon is the dean of an important but well-nigh invisible little segment of sports labor. He is a timekeeper. He has tolled the bell and counted off the seconds and minutes and intermission periods for nearly 40,000 fights in the New York area since 1900—including most of the big ones you remember. That fuzz in the background of your TV screen, when it is tuned in on Madison Square Garden, or St. Nick's arena, or the Yankee Stadium or Polo Grounds in New York, on fight nights, is the balding old man, his two watches and his jealously guarded bell.

Though Bannon holds a vital position in the curious finance and mechanics of boxing, he is not and

never has been one of "The Mob." The Mob, in this case, has no sinister connotation. What we mean is that he is no fraternizer, no habitué of the popular places where the boxing brethren gather before and after New York fights, and never has been detected combing Jacobs Beach, that stretch of 46th Street near Madison Square Garden where the fight crowd congregates.

When his night's work is done, and while the echoes of his last bell are ricocheting about the rafters, Bannon claps on his faded hat and trudges obscurely through the crowd to the subway that will take him to his home in the Bronx. The rough and tumble social life of boxing is not for Bannon.

Bannon has seen more boxing than any other man in history and has sat in split-second judgment on every great champion since the era of John L. Sullivan was fading. But he still regards his association with boxing as a hobby, and as a means of making ends meet. For many years he worked at the almost equally curious trade of in-

stalling sounding boards in pianos. Now he has a part-time clerical job and, overcoming what must be a powerful impulse, never watches the clock.

America's oldest sports official of this sort never has missed a boxing assignment from the hour, a little more than half a century ago, when he was first introduced to timekeeping. It happened at the old Mott Haven Athletic Club in New York, his home town. As president of the neighborhood athletic club he was called on to act as mediator in an impending bare-knuckle fight between two bully-boy members. At his counsel the two tigers agreed to use boxing gloves when they had at each other, and further agreed to limit each round to two minutes.

The latter restriction brought up the question of which club member should hold the watch. Bannon volunteered, the beginning of one of the longest reigns of neutrality since Switzerland's.

George has had time on his hands ever since. Until the emergence of the (Jimmy) Walker Law,

which legalized boxing in New York about 30 years ago, he held the watch on a vast number of bootleg fights at such clubs as the Mott Haven and at men's smokers, stag dinners and the like.

Those were rough and sometimes unnerving days, Bannon recalls now, reflectively rubbing his long nose and blinking his bright blue eyes. Spectators who did not like decisions that went against their favorites were wont to pick up chairs and other objects and hurl them at the ring, a dangerous practice, George says. And he should know, for he generally was in the direct line of fire.

One of his most unnerving evenings came the night Terrible Terry McGovern was wading into an Englishman named Pedlar Palmer who had designs on Terrible Terry's bantamweight crown. In the midst of the heated scuffle, a young lady attempted to enter the ringside sector.

If a naked head-hunter now raced down an aisle of Madison Square Garden, and made a pass at the collective necks of Gen. John Reed Kilpatrick and Bernard Gimbel, he could not cause more consternation than did that forgotten (except by Bannon) lady of long ago. None of the spectators, officials or ushers ever had seen a woman at a boxing match, and the entire show came to a stupefying halt for one pregnant moment.

Pedlar Palmer just stood there in the center of the ring, gaping at the girl. Bannon shot her a quick, horrified glance, and then looked back at the ring. It was just as well he did. Terrible Terry apparently had seen a woman before, somewhere in his life. He cranked up a great haymaker and clouted the mesmerized Pedlar Palmer on the whiskers. Bannon, though unnerved, counted off the ten seconds and sounded the bell that indicated the end of the fight.

The late Billy Gibson, who managed in later years such masters of ringcraft as Benny Leonard and Gene Tunney, gave Bannon his first steady work as a timekeeper. That was at a little club which Gibson operated in an abandoned ironworks.

Bannon believes today that there he saw perhaps the greatest sequence of young fighters that ever passed before his eyes over a limited period of time: Sam Langford, Stanley Ketchel, Packy MacFarland, Leonard and a tough-looking, broken-nosed kid who was not long off the brake rods, Jack Dempsey.

Busy with his two watches

("What on earth would happen if I had only one, and it stopped on me?"), his precious and protected bell ("No tin-horn gambler's ever going to ring my bell ahead of time, to save his fighter.") and with one eye on the Garden's big electric timepiece, which he mistrusts because it's newfangled, Bannon is a furrow-browed little specter on boxing nights. Let the fancy folk and the people upstairs holler their lungs out and dance in the aisles; George has his work to do.

He's too busy to be a boxing fan, this man who has seen more boxing than most of the modern fans combined. But there was one fight he timed which came as close to lifting him out of his chair as any he saw in the past or expects to see in his prolonged future.

It was the first of the epic Tony Zale-Rocky Graziano brawls, fantastic conflicts that were dredged up from the primordial ferocity of the cave era.

Zale, a bloody and bewildered mess, went down near the end of the second round. Graziano, the fragrance of the middleweight championship strong in his flaring nostrils, danced away like a happy savage as the referee began to count over the stricken titleholder. The mob went wild and set up a yell that was an affront to civilization in general.

George Bannon let out a notch of his iron restraint, but it did not interfere with his work. At the count of six the second hand of his two watches agreed that that round had used up its full three minutes.

So timekeeper Bannon calmly sounded the bell. In a few more blinks of the eye, Graziano would have been champion of the world. But now he was just another challenger who had to go on against the champ. Zale's seconds dragged the semiconscious champ back to the stool, revived him—and Zale, in a memorable comeback, knocked out Graziano in the fourth round.

Another modest lift which Bannon got out of boxing came 50 years ago in a bout between Willie Lewis and Sailor Burke. Lewis weathered a knockdown in the first round; then floored Burke for a short count in the second. In the third, utilizing their knockout punches simultaneously, both connected, and both men were knocked out.

This posed a problem which still worries George. It worried the referee so much at the time that he just stood there, scratching his head. George never counted off the seconds. And, by popular con-



Craftsman & Purveyor of Fine Furniture wrot of Steel; who also delivers of his thoughts on Many Another Topic



May 1st—Tis springtime, but the proverbial young man's fancy within me has receded with the years from the "whistle" to the less dangerous appraisal.

May 6th—This Sabbath did attend Friend's church, finding myself much impressed with their Sincerity, Liberality and Tolerance of all other creeds.



May 9th—Comes an epistle from one Burt Dryer who comments kindly on this poor diary and recalls many Decades ago his sales to us of tubing of steel. This causes me to reminisce back to 1912 when my shoppe started to produce tubular steel chairs—probably the first ever made.

May 14th—To the dentist and reminded of the Lad who complained to his mother that said Dentist was not at all painless; quoth the lad, "When I bit him, Mama, he screamed."



May 16th—A sizeable order for my Industrial Posture Chairs from the goodie Motorola Corporation, attests to my slogan of many years, "A Tired Worker Costs More Than a Goodie Chair."

May 16th—Same Day. Goode news seems always tempered with grave decisions. I must allocate my furniture of steel fairly among as many good friends as I can. To those whom material shortages thus deprive, I say visit one of my competitors who too sells quality furniture of steel.

May 30th—This Memorial Day does find me with fervent Prayer that the Roster of those this day honored be not increased.

May 31st—A memo from shoppe manager Engstrom, taking pride in the largest month's production in my 54-year history. If my customers are Equally proud of the furniture they receive, my joy will be complete.

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sent of all concerned, especially the fans, a lengthy rest period was given the gladiators, who went back at each other again, with Lewis scoring a knockout in the sixth.

George tolls his gong with a precision of movement hardly matched by the rotation of the earth. But one night saw him ringing it as recklessly as a kid yanking on the village firebell of a dark Halloween. That was the night he learned that a heavyweight, by name Butch Hagen, had agreed to go into the tank in behalf of a fighter with a richer manager.

This offended the purist in George. So every time Butch swooned to the deck after a tap on the chest or wrist, George rang the bell—ending the round. On his eighth trip to the deck Butch opened his eyes long enough to glare balefully at George and bellow, quite loudly, for an "unconscious" man, "I'll get you for this!"

It remains not only one of George's only threats during his long association with a game that has been known to attract many knaves and dastards but also one where he lost his curious anonymity at a match.

George believes boxing is generally more honest today than it was in the old days, but he can't say much for the caliber of the boxer of 1951 A.D. His greatest tribute to a modern boxer is to liken him to "an old-time fighter." He regards Ray Robinson and Willie Pep as about the only active moderns who could have held their own with the old-timers. His great exception, however, is Joe Louis, whom he now regards as retired despite Joe's frequent comebacks.

"He was the greatest heavyweight champ the game has ever known," George said recently. "I think he could've beaten Dempsey. The young Louis would've been too fast for Dempsey. They both could hit hard. But Louis had the speed to beat Dempsey to the punch. And, since most people agree that the first one to score would win, I like Louis."

George's friends, recognizing the ultimate authority on such matters, sometimes ask him about the great "long count" of the second Dempsey-Tunney fight.

"Wasn't the timekeeper's fault," he says. "The timekeeper only

takes orders from the referee. The referee is the boss once the fight is on. The timekeeper starts his count when the fighter hits the floor and doesn't stop until the referee reaches ten or signals that it's all over.

"In the Dempsey-Tunney fight the referee signaled the timekeeper to hold up his count when Dempsey refused to go to a neutral corner. You don't pick up the count in a case like that until you get another signal from the referee."

Like everybody else even remotely associated with boxing, Bannon has a theory about the

saw only one man ever killed during that period in the game. Can't remember the poor lad's name."

Old-time fighters took the game much more seriously, George avers. Now, he contends, all they're looking for is a quick dollar. The business of training to make that quick dollar is abhorrent to them. They by-pass such things as roadwork and, before they know it, their legs give way and they become "suckers for punishment." They just can't get out of their own way, or the way of an opponent's best punches.

Bannon, who walks five or six miles every day, says, "If walking doesn't hurt a man of my age, it can't do those young fellows any harm." He feels that, in boxing especially, an athlete is as good as his legs. But, he adds gloomily, one doesn't see many fighters jogging around Central Park reservoir these days.

Three of the four deaths Bannon has seen in the ring were of more or less modern vintage. He was, for instance, the timekeeper for the Primo Carnera-Ernie Schaff fight of Feb. 10, 1933. Schaff died in a New York hospital a few hours after collapsing before Carnera's punches.

"Schaff wasn't killed by anything he took that night," Bannon swears. "You could see that. Ernie had taken a bad beating from Max Baer a bit earlier. He wasn't fully recovered from that beating nor a serious illness that had bedded him down before the Carnera fight. That's what killed him, not

Carnera's punches.

"You can blame most ring deaths on poor condition. Trace back and you'll see that somewhere along the line the fighter didn't train properly or did his work in a smoke-filled gym, which is very damaging. You can bet he wasn't in the kind of shape old-timers used to be in before they stepped into a ring."

After a little stubborn resistance George will admit that it is theoretically possible for a sledgehammer hitter to kill a fighter who has obeyed all the training rules and is in excellent shape.

"I remember the time Jess Willard came into New York—oh, a long time ago. He had just killed a fellow named Brell Young, somewhere out West, I believe, and you could see it was on his mind just by looking at his eyes.

"Well, Billy Gibson called me at



epidemic of ring killings since the end of World War II. His point is that most of the fatalities can be attributed to the modern fighter's distaste for training. Talk about new regulations which would soften the ring padding, fatten the gloves and make ringmen wear headgear makes him chuckle derisively. He says he must laugh at this because he can hardly recall a death in the days when men fought without padded rings and their crusted old gloves were far more lethal than the often-replaced cushions of today.

"In the old days," he says, "fighters used the same gloves for months at a time. They became water- and blood-soaked. They were like bricks. And when men hit the deck they didn't fall on a mattress. They fell on wooden planks. But, if I recall correctly, I

the Mott Haven and asked me if Willard could work out at the club. I said sure, but told Billy I didn't have any heavyweights hanging around at that time, to act as Willard's sparring partners. Bill said to send Willard in there with anybody—it was just a workout—so I sent him against a boy named Sam Boehm, a hundred and forty-pounder who used to work with Packy MacFarland.

"In the first round Willard hit Boehm with a pretty good right and Boehm's guard dropped. You should've seen Willard. He stood there like a big ghost and started to scream, hysterical-like. He was so afraid he had hurt Boehm."

In all his years of keeping time, Bannon never has been approached by a fighter or manager to tamper with the bell, cut a round short if a certain fighter was losing, or let one run longer if additional seconds would mean a victory for a fighter—as would have been the case in the Zale-Graziano battle.

But, he confesses with trace of a pleased smile, he himself once meddled with uncompromising Time. It happened in the old Alexander A.C. in the Bronx. What was left of the great Peter Maher was fighting there that night—for coffee and cakes—against a strong young man named Pat O'Brien. Old Peter was a friend of George and, jokingly, came to him before the match and asked him to give him a break and shorten all the rounds which found him in trouble.

"The 'gate' that night was \$180," George recalls, "and I knew that old Peter would get very little of it. It seemed a pity to let him take that terrible punishment, without chance for a breather, so—for the first and only time in my life, aside from that crooked fight of Hagen—I deliberately shaved a few seconds off a round. It was the first round, and Peter needed every second I shaved. He was flat on his back, and a sorry sight to see—for he had been one of the finest.

"Trouble was," George smiles, "old Pete came back in the second, saw an opening, and knocked O'Brien cold."

The story doesn't end there. Forty years later Bannon was returning from work one night at the Westchester County Center just outside New York. He had thumbed a ride to a point where he could catch a bus for home. It was late and the old man fretted over missing the last bus as he stood restlessly in the empty loading zone. Bannon was examining his faithful watch every minute or so and then,

to his surprise, he found a policeman standing in front of him.

"Any trouble, Pop?" the cop asked.

"Yes," old George answered. "I'm worried about that last bus. What time is it?"

The word "time" shook a dusty memory in the officer's head, and he looked at George for a long time, studying him. "Yes, Mr. Bannon," he said. "I have the right time."

It was Pat O'Brien, and a terrible surge of conscience once again swept through the fine old timekeeper.

"Pat," he began, "something's been on my mind since the night you fought Peter Maher . . . and I hardly know how to tell you."

O'Brien threw back his head and laughed robustly at the stars.

"Don't bother," he said, tenderly touching the old man's arm. "I've known about it myself all these years."

Besides Bannon there is one other timekeeper in all the major New York fight pits on boxing nights. He is the knockdown timekeeper, generally one of the referees who has worked an earlier bout. His seat is next to Bannon's, and he is sometimes provided with a hammer to beat on the ring apron as the referee's count mounts over a prostrate fighter.

But in the smaller clubs around New York, Bannon handles this job along with his own.

In addition to modern fighters, George reserves a special misgiving for the Madison Square Garden clock—a marvel of the electronic age which records the progress of not only the rounds but the rest periods.

"Can you imagine what would happen if that clock went out of order while a round was in progress, and I wasn't on hand with a couple of watches?" he demands, not unlike a man who expects that calamity to occur to the electronic wonder at any split second. "It can happen, you know," he says, nodding his head, and browsing back through his treasury of memories.

"Clocks can stop, even on me," he said recently. "Many years ago I was working a fight and, by gosh, my watch stopped. Fortunately a sports writer noticed the trouble and quickly handed me his watch. Been using two ever since, and they're more important to me now than ever before. With so many people watching fights on television, and timing the rounds and rest periods, you just got to be perfect."

"I'm sure I'd hear about it if I wasn't!"

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Father of the Skyscraper

By HAROLD HELFER

ALL RIGHT, who is Leroy S. Buffington? The chances are you don't know—yet perhaps more than any other man he changed the face of big city civilization into the look it has today.

Leroy S. Buffington sounds like the buffoon character in an early operetta. Actually, he was a serious man. And the thing he was most serious about was skyscrapers. In fact, he invented them.

That's right, skyscrapers had to be invented. Somebody had to think up a formula that made it practical and possible for steel and concrete to tower way up in the sky and remain safe and serviceable for habitation.

It probably will be hard for some of us to realize it but the skyscraper, which has become the universal symbol of metropolitan life, is actually little more than a half century old. As a matter of fact, it wasn't until 1882 that Buffington designed the first skyscraper, a 28-story affair.

He tried to sell the idea to builders in Minneapolis—and was laughed at. The notion of a building going up more than a few stories into the air was considered fantastic.

Buffington didn't give up, though. Three years later he went to St. Louis where the American Institute of Architects was holding

a convention. He tried to sell the leading architectural minds of the nation on his "sky building" but he again met with only shaking heads and smug smiles.

Up until then, all buildings, even those of several stories, were built with the weight of the structure resting on the walls of the first story. Obviously, therefore, if you built too many stories you were inviting collapse. Moreover, even if you could make a considerable number of stories stand up, the contraction and expansion of the metal frame due to changing weather would cause walls to shatter and plaster to crack.

Buffington had an answer, however. Each story would have a "shelf" which would support the weight of its own walls. This would be so much the case, said Buffington, that it would be possible to start "clothing" the steel skeleton with masonry from the top or middle instead of at the bottom as had been done since time immemorial.

Today, as a matter of fact, the bricks of the first story of a skyscraper are usually applied last. But in the 1880's the thought of putting bricks in "mid-air" instead of "building logically" from the

ground up was the source of much laughter. It was clear, as far as most people were concerned, that Leroy S. Buffington's "cloud-scraper" was a dream of the most bizarre and outlandish sort.

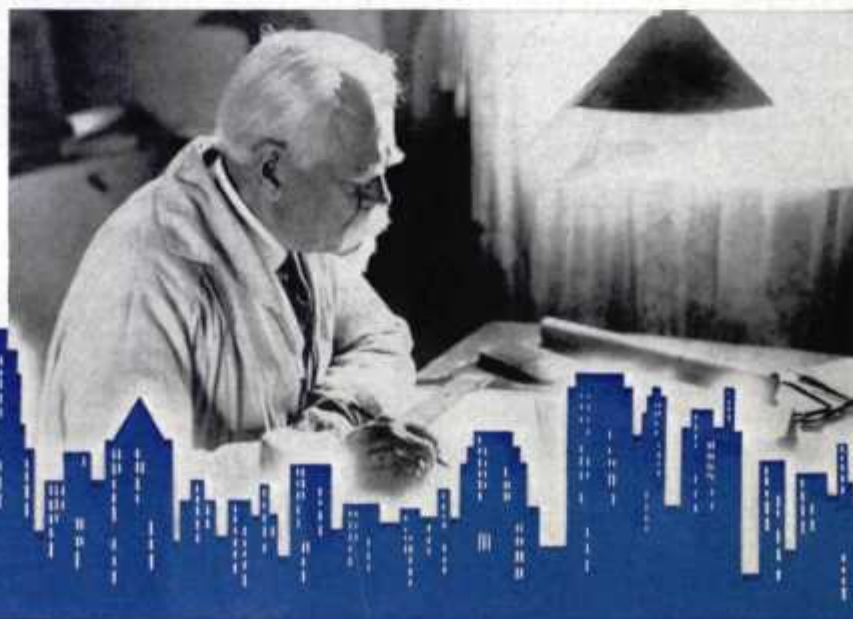
Incidentally, that's what the skyscraper was first called—a cloudscraper. It was the name kiddingly given Buffington's multiple-story idea by the newspapers, who had a field day poking fun, replete with imaginary illustrations, at the notion of a building pushing itself up too far into the sky.

However, the belief that his ideas for multiple-storied buildings would someday take hold remained unshaken and, in 1888, he took out a patent on them. And it was shortly after this that, all of a sudden, skyscrapers began sprouting up.

They all incorporated Buffington's separate "shelf" idea—but the Minneapolis man was unceremoniously knocked down and passed over in the skyscraper boom that rolled across the nation. Although adopting his formula and principles, the builders ignored the man who had gone up and down the country for years in the face of smirks and laughter to advocate such buildings.

New architectural notions ap-

PACE MAKERS
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parently are something hard to pin down with a patent. Buffington sued the skyscraper builders, asking for one eighth of one per cent of the construction cost of an edifice as the amount due him for the use of his theories. He spent almost two decades in court battling construction men who, he felt, had usurped his idea. He didn't collect. In fact, the litigation cost him \$30,000. He gave up the struggle in 1935—the 17-year-old time limit had run out and he knew there was no point in continuing the battle.

If you were to conclude from this that Buffington became a forlorn character, you'd be mistaken. Actually, he was one of the most successful architects in the country. He built 42 hotels, numerous railroad stations, a number of the University of Minnesota buildings, and many churches, flour mills, office buildings. During the 1880's, so flourishing was his business, he employed 30 draftsmen. He designed the old Minnesota State Capitol. But perhaps his most famous structure was the West Hotel in Minneapolis. People came from

isfy him. He wanted to build still further up. And so after much study and thought he evolved his plans for multistoried building construction which is used today in the creation of skyscrapers the world over.

A distinguished-looking white-haired man with a goatee, Buffington became wealthy enough to send his five youngsters through the University of Minnesota. But you could have hardly blamed him if there were times when he felt a little bitter over the fact that he received no official recognition for the thing that was his unique contribution to modern civilization, the skyscraper.

Old-timers might recall the one-man struggle he had made, defying ridicule and jeers, in behalf of the multistoried building, but the new generation did not connect the name Leroy S. Buffington with the majestically towering edifices that made the great modern cities of the land what they were.

The Minneapolis architect's effort to be paid one eighth of one per cent of the construction cost of skyscrapers for the use of his ideas might seem as the very acme of modesty and reasonableness, really no more than a token of recognition for his theories, without which the supertall buildings would never have been possible.

But had he received this "token" payment, to which many who knew the whole story felt he was entitled, he would have received—at the age of 82, estimated in 1929—\$312,000,000.

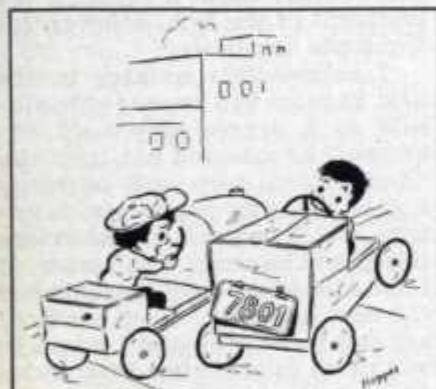
But this story has a rather happy ending, at that.

One day in 1929 Buffington opened his mail and found a check for \$2,250. That isn't much money for a man who has built hotels, railroad stations and state capitols but it brought a flush to his cheeks and a thrill.

It was his one eighth of one per cent "royalty" for the new 27-story Rand Building that had gone up in Minneapolis!

Rufus H. Rand, the builder, had, of course, been under no legal obligation whatsoever to make his payment. It had been 24 years since Buffington had been in court with his skyscraper litigation. It was simply that Rand happened to know the facts back of the skyscraper story and he thought that his fellow townsman was entitled to this money.

Thus, unsolicited and entirely unexpected, the recognition that Leroy S. Buffington—"Mr. Skyscraper"—had sought for so long had at last come to him.



"For goodness sake, Herbie, take off that license plate! It's liable to give some of these politicians an idea"

many countries to gape at it. What attracted this attention, though, was not so much the hotel's inner elegance or its many integrated services—but the fact that it was nine stories high! That made it just about the tallest building anywhere on the face of the earth. Three stories were generally the limit.

But, while of intricate and highly imaginative architectural conception, it was nevertheless built along traditional principles.

Buffington's sensational architectural razzle-dazzle won him many "ohs" and "ahs" from the general populace and much critical acclaim too. But it did not sat-

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When Dollars Run to Cover

(Continued from page 30)

once were found only in the homes of the wealthy—are now selling at chain store rates.

But early American furniture is at a premium, and rising steadily. Old paperweights suddenly have developed a collector coterie, somewhat to the puzzlement of the dealers, who claim that they are unable to understand how or why the craze began. (The chances are good that the dealers started it themselves.) According to officials at the Parke-Bernet Galleries in New York, wrought metal or cut glass paperweights which in 1913 sold for \$5 new are now pulling bids of \$1,000 and upward at auctions.

STAMPS and coins, because of their small size which makes them easy to conceal, and also because their value ordinarily increases with age, always have held appeal for hedgers. Of late, both businesses have been doing more than nicely.

The firm of H. R. Harmer, Inc., one of the oldest stamp establishments in the world (Harmer catalogued and sold Franklin D. Roosevelt's collection after his death), last year showed a turnover of around \$1,500,000. This year it will be higher, according to Bernard Harmer, a son of the founder; but he does not believe that last year's figure was due, in any large part, to would-be hedgers' activities.

"The last war pushed stamp values up," Harmer said recently. "In England then, there was a good deal of hedging—and why not? Stamp values, as a rule, continually increase. I expect we'll be getting a good deal of hedge business this year."

Harmer recalls, as an example of the increase in stamp values, an experience he had in London during World War II. He was then buying the 1949 Postal Union Congress stamps at their face value of \$4 and using them to airmail parcels to New York. There, clerks in his office removed the canceled stamps from the packages and sold them for a dollar or two. Today the same issues are worth between \$25 and \$32. Naturally, Harmer regards stamps as an excellent hedge; but here again, it is not recommended that they be purchased without some study and discrimination.

Hedge buying has been more noticeable in the field of numismatics. Isadore Snyderman, a coin

dealer who runs the Art Trading Company in New York, declares that he's never before seen so many new faces in his shop. Snyderman sells rare coins dating from ancient Greek times onward throughout the whole range of history; like stamps, they commonly rise steadily in value. He cites a set of proof coins which were struck at the Philadelphia mint in 1936 in denominations ranging from one to 50 cents and sold to collectors for \$1.89. Today, the same set brings between \$40 and \$50.

Many of Snyderman's new customers ask to buy whole sets of coins without knowing anything about their value to collectors, operating on the mistaken assumption that the gold in the coins alone will be worth the purchase price. Snyderman has tried to explain that a gold sovereign of the reign of Henry VIII may be worth \$225, but still may contain only a few dollars' worth of gold, but hedgers don't seem to be impressed by this simple set of economic facts.

"I don't know why they think the gold is worth as much as the coin," Snyderman has said. "I told one man, you might as well go to a dentist and have him take the gold out of your teeth—you'll get almost as much for it. Me, I don't deal in coins because they're gold—I deal in them because they're rare objects."

The consensus of opinion among fine arts dealers and financial experts is that precious stones, particularly uncut diamonds, are getting the largest play in hedging. Legal imports of diamonds have increased by 30 per cent over 1950, and early this year attempted smuggling on the eastern seaboard reached epidemic proportions.

DESPITE the smuggling rings and the black markets, diamond sales are up everywhere in the United States. Jewelers are reporting a sharp rise in sales of rings, and prices of small cut stones have increased by 25 per cent since the beginning of the Korean war. Larger stones have gone up around 15 per cent. There is a noticeable shortage of industrial diamonds, and the price of bort, or diamond dust, used as an abrasive in industry, has skyrocketed almost 60 per cent.

Trade in diamonds can produce highly satisfactory profits. Jean H. Van Praag of the Diamond Mer-

chandising Corporation in New York invested \$50,000 of a friend's money in diamonds in 1939. In 1945, Van Praag's friend realized a 300 per cent profit. But, although diamond prices will continue to rise, and although there is little likelihood of diamonds going out of style, since they are regarded in Europe as a currency, there are also hitches in this type of hedging.

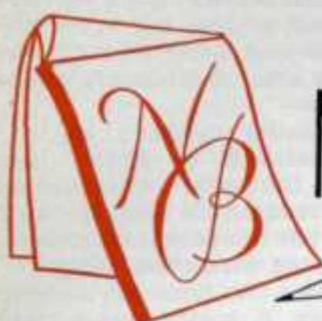
For one thing, uncut diamonds are extremely hard to obtain. For another, a man must have around \$35,000 or more to invest in stones, since rough diamonds are seldom sold in small lots.

IN ALL the areas mentioned thus far where attempted hedging prevails, there have been stumbling blocks; but some art-and-fine-objects experts are convinced that wise buying, with a long-range program in mind, could be successful. The Parke-Bernet Galleries, which offer for sale at auction hundreds of thousands of objects each year, report that there has been a steady increase in the value of early American items during the past 25 years. Leslie A. Hyam, a vice president of the firm, believes this trend will continue.

"I believe this country in the next 25 years will become chauvinistic to a degree previously unknown," he asserted not long ago. "And this, in turn, will impose a higher value on native art, furniture, etc. The finest old American things will be worth much more. If I had \$100,000 to spare, I would buy the best American silver, works of art and furniture—and I would be willing to predict that their value would be doubled by 1975."

Having gone out on a limb, however, Hyam was not willing to stay there. "Of course," he said, "it's only my personal opinion. The trend might very well change."

The plain fact seems to be that the wave of hedge buying in the fine arts fields is based on an unwarranted optimism. Sylvia Porter, a writer on economics, recently summed it up neatly. "There is no true hedge against inflation," she said, "except the prevention of it. A few smart, shrewd operators may come out on top in the game. But to buy paintings successfully, you need knowledge or advice from a dependable expert; again, to buy diamonds or antiques, you need knowledge. But even if everybody were a smart, shrewd operator with the necessary knowledge, I've never known of 150,000,000 people who could buy and sell things to each other at the same time and come out ahead."



NOTEBOOK

Flashback

THE FACSIMILE of a page from a diary of George Washington, presented to Columbia University by Charles Moran, Jr., is published in the *Journal of Accountancy*. It shows the personnel of his government and prominent on the list are the accountants. The relatively high salary paid them in relation to others and their number suggest that a considerable responsibility must have been placed on this branch.

President Washington's salary was \$25,000 a year and John Adams, the vice president, received \$5,000. The next highest salaries—\$3,500—went to Edmund Randolph, Secretary of State, and Alexander Hamilton, Secretary of the Treasury. In Washington's time there was a controller general at \$2,650, as well as an auditor general at \$2,400. Listed also under executive branch was "Joseph" Howell, accountant, at \$1,200.

These three latter posts presumably accomplished the objective of separating the audit function from the accounting, or control function.

A tax angle

DID you ever stop to examine whether your business would operate from a tax advantage best as a partnership or a corporation? There is a breaking point on income below which the average partnership will fare better on tax costs and above which corporate operation permits savings. The Commerce Clearing House of Chicago has just completed a comprehensive study readily understandable to the average layman.

Comparisons must be made, it is emphasized, between the total corporate tax plus the shareholder's personal income tax on salary and dividends as against the individual income tax paid by a partner. Examples show the computations which must be made to determine tax savings under each form.

For instance, in the case of a corporation which pays no dividends but 40 per cent of its income as salary, the breaking point at which a husband or wife partnership pays more taxes than a corporation will be at an approximate \$52,000 income level. But when a 70 per cent distribution of dividends is also made, the tax advantage of incorporation will begin to assert itself at about the \$90,000 income level on the same facts.

To be weighed in the balance between corporations and partnerships is the ever present conflict over what constitutes improper accumulations of reserves. Corporations, after setting aside enough for reasonable working capital, plant expansion, etc., may find the remainder of their earnings subject not only to the regular corporation income and excess profits taxes but also to the almost confiscatory and little known "section 102" tax on this undistributed remainder.

The life of a corporation continues until its liquidation, while a partnership ceases on the death of a partner. Many guiding principles for partnerships and small corporations are fully considered in the survey.

The farmer

MR. AVERAGE U. S. Farmer, aged 49, has a net worth of approximately \$17,000 and made a net profit last year of about \$2,225. Drawing on its family economics bureau and official government statistics, the Northwestern National Life Insurance Company has drawn up a survey somewhat in the form of a corporation's annual report.

Total value of American farms on Dec. 31, was estimated at \$91,000,000,000 in land, buildings, livestock and equipment. Its 1950 produce came to about \$30,000,000,000 or around a third of total farm value. While farm population has shrunk from 32,000,000 persons in 1900 to 28,000,000 last year, the smaller agricultural force now pro-

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duces twice as much goods and other products.

Analyzing the average farmer's worth further, the study also said he owned at the end of 1950 some 195 acres of land which, with buildings, is booked at \$10,000. His mortgage is down to \$850 or 8½ per cent of value, compared with a 20 per cent mortgage before World War II. In addition he owned \$2,200 worth of implements, machinery, and motor vehicles and \$2,100 of livestock and poultry. This brings his total food factory value to \$14,300.

From this plant he sold \$4,350 worth of produce, on which he netted \$2,225, and used another \$350 worth for his family and himself in the course of the year. This \$4,700 total output amounted to about a third of plant value, compared with an output in 1900 and 1910 of about a sixth and in 1929 a little less than a fourth of average farm value.

Other assets included \$1,200 worth of crops in storage; \$3,100 in cash, bank deposits, and United States Savings Bonds, and \$350 worth of stock in his local farmer cooperative.

Liabilities included, in addition to the \$850 mortgage, about \$1,100 owed the bank, the Commodity Credit Corporation, and local merchants. The average farm of 195 acres is a third bigger today than the 146-acre average in 1900 and 145 acres in 1925. Contrasted with last year's estimated \$2,225 net income per farm, the average was \$350 in 1900 and \$960 in 1925.

75 years ago

SEVERAL YEARS ago a fire did considerable damage to the main office building of Republic Steel Corporation's iron ore mine operation in Port Henry, N. Y. Fortunately, however, the fire was brought under control in time to save the office files containing many valuable papers.

While helping to clear the files, Robert J. Linney, then the Port Henry manager, now operating head of the newly formed Reserve Mining Company, in which Republic has an interest, came across a printed notice which had been issued by an earlier company. It was dated Nov. 30, 1874.

Robert Linney read with interest the message on the poster which began:

"TO THE MEN IN OUR EMPLOY: We are sorry to have to inform you that the prospects of the iron business are growing worse and worse, and the times look so

bad that we are obliged either to close the mines or reduce wages. After much consideration we have decided not to close, but to reduce: and from and after Dec. 15, the wages for a day of ten hours will be as follows—"

Then Linney glanced at the rate of pay from \$1 to \$2.25 a day shown on the poster. When he had finished reading the piece he could not help but compare it with wages and working conditions today.

First, if a ten-hour day were in effect now it would mean eight hours at regular wages and two hours with overtime pay. Second, not only is the rate of pay increased many times over that of 75 years ago, but the company now pays out an average of several hundred dollars annually for each employee in the form of payments for social security, unemployment, paid vacations, pensions, workmen's compensation, and other benefits.

Robert Linney, being once an iron ore miner himself, could read a lot of things into this poster to indicate that we have come a long way in the past 75 years. In fact, he had the poster framed and hung in his office to remind him and others of this fact.

Evaluation

SPEAKING before Dartmouth's Amos Tuck School of Business Administration, Jackson Martindell, president of the American Institute of Management, gave his views on "How to appraise a management." His thesis: "We can no longer confine ourselves as our grandfathers seemed content . . . to report earnings as the sole or even the best criterion of management achievement."

He listed ten main functional divisions of management, classified corporations that the Institute rated highest in each and in this way:

Economic function, American Telephone and Telegraph; Corporate Structure, General Motors; Health of Earnings Growth, U. S. Plywood; Fairness to Stockholders, Pennsylvania Salt Manufacturing Co.; Research and Development, Merck; Directorate Analysis, General Foods; Fiscal Policies, du Pont; Production Efficiency, Standard Oil (New Jersey); Sales Vigor, Grand Union; Executive Evaluation, Procter & Gamble.

Good old days

WHAT WITH all the present commotion about price and wage controls, it is interesting to note that

our forefathers experienced the same problems even back in the Revolutionary War days. Recently someone was digging through the old archives of the Brooklyn Public Library and found that on Dec. 31, 1776, the general assembly of Rhode Island and Providence Plantations adopted a wage and price ceiling law.

Apparently the colonials were stirred up about profiteering because the old law denounced "the unbounded avarice of many persons," and said war profiteering "disheartens and disaffects the soldiers who have nobly entered into service" and whose pay "is not sufficient to subsist them."

Here are some of the price ceilings set then: milk, per gallon, nine cents, and the same for a pound of turkey; a gallon of rum was set at 63 cents and a pound of tobacco at five cents. Barbers charged 3½ cents a shave, the carpenter received 70 cents a day and the tailor 42 cents.

Lodging for a night was set at five cents. "Dinners" at taverns for travelers (not soldiers) of boiled and roast meat, with other articles equivalent, "exclusive of wine," 21 cents.

The bottle

INDUSTRY is now beginning to look upon alcoholism as a major industrial concern and is attempting to do something about correcting this problem. Led by du Pont and Consolidated Edison of New York, who now give disability pensions to chronic alcoholics, many large corporations, among them Eastman Kodak, Metropolitan Life Insurance, Allis Chalmers, General Motors, Standard Oil (New Jersey) and Union Carbide and Carbon, are making some provisions for their alcoholic employees.

Many of them use existing clinics or other local facilities, but several give complete treatment in their own medical service. Consolidated Edison, for instance, gives alcoholic employees a complete medical, psychiatric and counseling service, as well as a disability pension.

With the mental and physical strain of present defense working conditions, companies may do well to investigate the various methods of restoring employees to usefulness.

Dwight Anderson, executive secretary of the Medical Society of the State of New York, seems to have condensed the entire problem extremely well in his book "The Other Side of the Bottle."



Remember the Stutz Bearcat? It was about the slickest thing on the road in the days when raccoon coats were the rage and Jack Dempsey was king of the heavyweights.

Sure, it's fun to talk about the good old days. But would you like to live and work in a community where things hadn't changed since the heyday of the Stutz? Probably not—because you wouldn't be living where you are if you did. The same goes for your neighbors and fellow business men. An alert and progressive community means a lot to them.

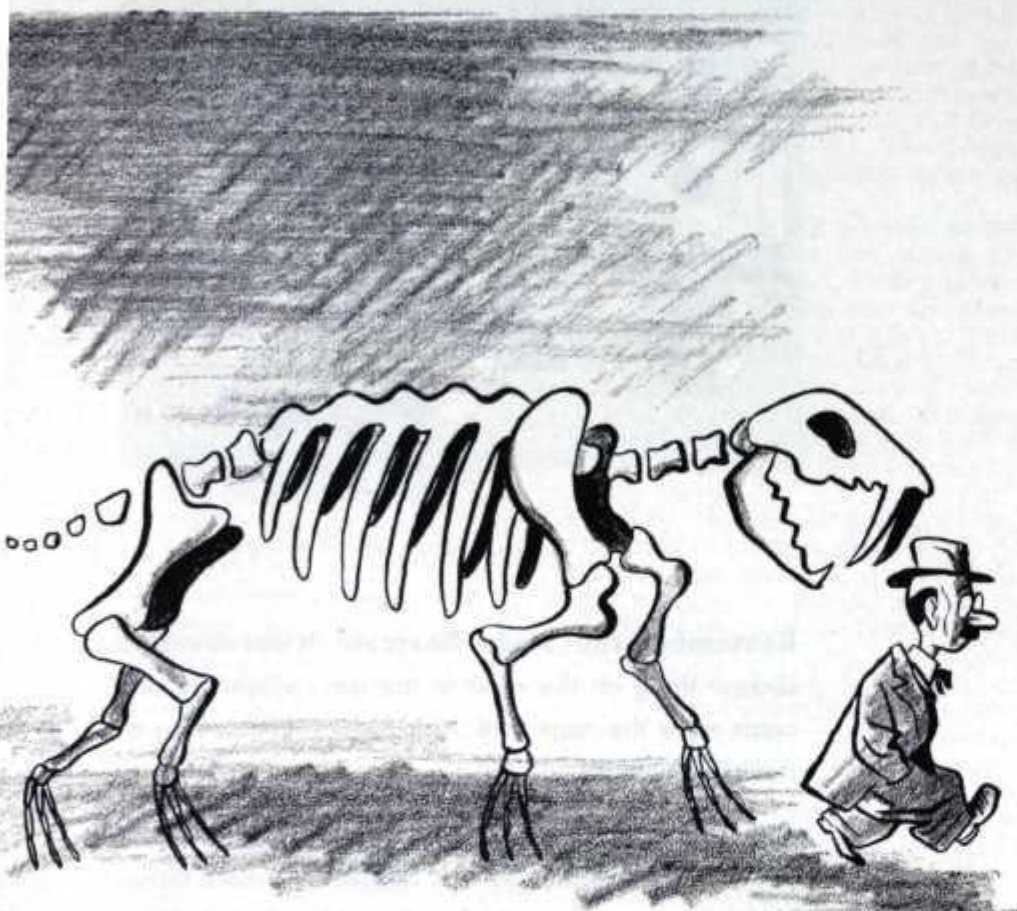
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Taxes and the Big Cat



HOPLOPHONEOUS, famed saber tooth carnivore of the Oligocene period, some 25 to 35,000,000 years ago, should no longer be referred to as a tiger or even a cat, according to an official pronouncement of the Government.

It seems that the popular notion that Hoplophoneous was a tiger, or cat, is based on the fact that its skeleton often is mounted with the feet digitigrade (on tiptoe) instead of plantigrade (flat-footed). Actually, only the dentition is cat-like.

This disclosure, made by the Department of the Interior, concludes with the finding that the term "saber tooth tiger" is such an extreme misnomer that its use ought to be discouraged.

Hoplophoneous has been dead these many millions of years and perhaps you have no direct interest in it, except to pay promptly the taxes that finance the Government's study of its long-ago characteristics. This animal with the catlike dentition is called to your attention so that you may recall it

when next you are told federal expenditures cannot be reduced.

AT THE start of this year there was a gap, \$16,500,000,000 wide, between the federal Government's estimates of spending and its income during the 12 months starting this July 1. Some later arithmetic concerning the likely condition of the Treasury has narrowed the gap to \$12,000,000,000.

Nearly everyone agrees that we must pay as we go. Which is another way of saying the gap must be closed. The President has proposed only one way of doing that, by increasing taxes. There is another way, by cutting spending.

The Hoover Commission has pointed the way to savings totaling \$5,000,000,000, at present prices, simply by letting the Government keep on doing what it is doing, but doing it more efficiently.

But while officials of the Government have been telling the nation to prepare for necessary sacrifices, to be ready to do without nonessentials, the federal civilian payroll

has been growing at a rate that reached 2,000 persons a day in March.

IT IS generally agreed outside of Administration circles that there must be some room in a \$71,000,000,000 budget for savings. But where? Few are prepared to go through the five-pound non-military section of the President's budget to point out the soft spots. The Chamber of Commerce of the United States has done that, and found these:

The President proposes to spend \$1,400,000,000 for economic stabilization and promotion of defense production, more than four times the World War II peak year. So a billion chopped off here would leave the account comfortably high.

Health, education and welfare proposals total \$2,100,000,000, including projects not authorized by Congress, and not likely to be. This could be trimmed by \$1,600,000,000 by effective opposition at the legislative level.

Public works spending proposals add up to \$2,000,000,000. If \$1,100,000,000 were lopped off these, most public works projects still would be able to operate at their relatively high 1948 levels. Another billion cut off agricultural expenditures would put these back only to their 1948 level.

Housing subsidies, the Chamber finds, could be chopped by \$300,000,000, leaving only \$48,000,000 to compete for scarce defense materials, and a \$2,000,000,000 trimming of the foreign aid proposals still would leave \$600,000,000 more than the \$4,500,000,000 being spent for foreign aid this year.

These add up to savings of \$7,000,000,000, a bridge over more than half the gap without a cent of new taxes.

DIVIDE \$71,000,000,000 among all the families in the United States and you get \$1,589. That's the average family tax bill under the President's budget and tax proposals. It is said that the Government belongs to those who take an interest in it. Perhaps we had better get into a digitigrade (tiptoe) position concerning federal expenditures before we find ourselves caught plantigrade (flat-footed) with the entire \$71,000,000,000 bill.



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